United Nations E/2004/SR.1

Economic and Social Council

Provisional

11 February 2004

Original: English

Organizational session for 2004

Provisional summary record of the 1st meeting
Held at Headquarters, New York, on Wednesday, 21 January 2004, at 10 a.m.

Temporary President: Mr. Rosenthal ..... (Guatemala)
President: Ms. Rasi ..... (Finland)

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Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

04-21453 (E)

The meeting was called to order at 10.20 a.m.

Opening of the session

1. **The Temporary President** declared open the organizational session for 2004 of the Economic and Social Council.

Statement by the Temporary President

2. **The Temporary President** said that the ceremony of transmission of the Presidency offered the outgoing President of the Council the opportunity to assess the Council's work during his term and the incoming President the chance to outline his or her plans for the next term. It was also an opportunity to welcome the newly elected members of the Council and, at the same time, a symbol of continuity, thanks to the tradition of allowing one of the outgoing Vice-Presidents to assume the Presidency in the succeeding year. He was turning over the Presidency more convinced than ever that the Economic and Social Council had a unique role to play within the United Nations in furthering development, international cooperation, respect for human rights and humanitarian assistance.

3. At the same time, he was convinced that the Council was not realizing its full potential in that regard. He hoped that now that various initiatives for change were in the air — the revitalization of the General Assembly promoted by its President and the High-level Panel on Threats, Challenges and Change appointed by the Secretary-General in October 2003 — progress would also be made towards strengthening the Economic and Social Council. He was encouraged by the reaction to his memorandum of 10 September 2003 addressed to Council members, which had contained a number of proposals to that end. The only regret he had about his Presidency was that the heavy agenda of the Second Committee before the holiday break had not allowed time for an adequate discussion of those proposals. He hoped that such a discussion would take place in the weeks ahead.

4. A more ample, focused and rigorous fleshing out of each of the Council's generic functions, as spelled out in Articles 62 to 64 of the Charter of the United Nations, would be the key to the Council realizing its potential. Those functions included analytical, normative, advocacy, coordinating and oversight activities.

5. The Council was a unique forum for exploring emerging development issues and making them understandable not only for policy makers but also for the man in the street, thereby heightening public awareness. Because its mandate, composition and work ethic made the Council the global forum best suited for serious policy debate, the selection of relevant themes to be considered at the high-level segment was arguably one of its single most important undertakings. Unfortunately, it was not always approached in that spirit. He appealed to members to view the high-level segment not as a routine annual event but rather as a singular opportunity to make a vital contribution to the policy debate on development and international cooperation.

6. The Council's role of promoting coherence, coordination and cooperation within the United Nations system and even within the Secretariat must be taken more seriously. The integrated and coordinated implementation of and follow-up to the outcomes of major United Nations conferences and summits were vital to that end. He stressed the importance of General Assembly resolution 57/270 B and Council resolution 2003/6, which had enhanced the Council's capacity to use the conference follow-up as a framework for planning, monitoring and assessing United Nations activities. The annual spring meeting with the Bretton Woods institutions, the World Trade Organization, and, as of 2005, the United Nations Conference on Trade and Development (UNCTAD) constituted another tool for achieving greater coherence, coordination and cooperation. Beyond its recognized role as the follow-up mechanism for the International Conference on Financing for Development, the spring meeting afforded an opportunity for closer interaction and understanding at the intergovernmental and management levels. Lastly, greater interaction with the five United Nations regional commissions and integration of their views into global issues was a seriously underutilized tool for enhancing coherence, coordination and cooperation. The Council currently devoted less than a full working day to that very important activity.

7. The Council was in a position to enhance its general advocacy role for development and international cooperation. It was already having an impact with its Ad Hoc Advisory Groups on African countries emerging from conflict, namely, Guinea-Bissau and Burundi. On three separate occasions

during the last quarter of 2003, he had represented the Council at meetings of the Security Council on those countries, and the two organs had worked together in a cooperative spirit. Only the week before, the Chairman of the Ad Hoc Advisory Group on Burundi had taken the Council's advocacy message to a donors' meeting in Brussels.

8. The Council was the main forum for integrating humanitarian activities on the ground with the development prospects of populations affected by natural or man-made disasters. The previous summer, it had adopted resolution E/2003/5, which underlined the need to consider the transition from relief to development in an integrated manner. The General Assembly had subsequently adopted resolution 58/25 on the same topic. As he had indicated in his memorandum of 10 September 2003, the Council did not do justice to its vital role of oversight and management of its diverse subsidiary bodies in various parts of the globe, including the functional commissions, and was not sufficiently informed about the activities of those bodies. He urged greater interaction with the subsidiary bodies, in particular the Commission on Human Rights, which, in turn had its own subsidiary bodies, some of which had their own subsidiary bodies (which meant that, in effect, they were subsidiary bodies of the Council three times removed).

9. Lastly, he called for greater streamlining of the authority of the General Assembly, the Economic and Social Council and the Executive Boards of the funds and programmes over operational activities. It was also highly desirable to strengthen the operational arm of the United Nations so that the Organization's policy orientations could be complemented by specific technical support in the field.

10. He reiterated the proposal on working methods contained in his memorandum of 10 September, namely, that the Council's general segment should be held separately from its other segments. The high-level segment or the humanitarian assistance segment might also be separated, since there was no compelling reason to attempt to cram all the Council's substantive activities into a single four-week session. That point had been reinforced by the General Assembly when it had adopted resolution 58/126, in which it had decided to examine whether it made sense to deal with all its substantive activities in a single 13-week session.

11. In reforming the Council, consideration should also be given to its composition (some members felt it had too many members while others felt that it did not have enough); its functions (for example, some delegations felt that the General Assembly, rather than the Council, should be responsible for electing the members of the Council's subsidiary bodies); the location of the Council's meetings (whether they should be held in Geneva biennially); and the reform of some of the Council's subsidiary bodies, particularly the Commission on Human Rights and the Committee on Non-Governmental Organizations. He was confident that those issues and many other reform matters would be addressed during the 2004 substantive session.

12. Finally, he thanked the members of the Bureau, the Secretariat and his own Mission for their hard work and support.

Election of the President

13. **The Temporary President** said that, under rule 18 of the rules of procedure of the Economic and Social Council, in 2004 it was the turn of the Group of Western and Other States to occupy the post of President. Consequently, if he heard no objection, he would take it that the Council wished to elect Ms. Marjatta Rasi to the office of President.

14. *Ms. Rasi (Finland) was elected President by acclamation.*

15. *Ms. Rasi took the Chair.*

Statement by the President

16. **The President** said that the Council had achieved a great deal in 2003. Its high-level segment had given rural development a central role on the international agenda. Its spring meeting with the Bretton Woods institutions and the World Trade Organization had contributed to the follow-up to the International Conference on Financing for Development, held in Monterrey in March 2002, to the High-level Dialogue on Financing for Development, held by the General Assembly in New York in October 2003. It had shown its support for peace-building in Africa by establishing Ad Hoc Advisory Groups on Guinea-Bissau and Burundi.

17. In 2004, the Council should focus on improving conference follow-up by seizing the opportunities provided by major United Nations conferences and

summits to fulfil the commitments assumed in the Millennium Declaration. The Report of the International Conference on Financing for Development (Monterrey Consensus), the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation) and the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (Brussels Programme of Action) had given the Council new responsibilities for monitoring progress. It must do more than coordinate and support the work of the United Nations; its work must have an impact on the ground.

18. The General Assembly, in resolution 57/270 B regarding integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, had specifically requested the Council to draw up a multi-year work programme for the coordination segment of its substantive session, based on a focused and balanced list of cross-sectoral thematic issues common to the outcomes of major United Nations conferences and summits, including the objectives, goals and targets of the Millennium Declaration. She asked the members of the Council to take an active part in developing such a programme. A multi-year work programme would help the Council to engage the entities of the United Nations system in its work more effectively.

19. Turning to the 2004 substantive session of the Council, she said that the high-level segment would concentrate on mobilizing resources for, and encouraging implementation of, the Brussels Programme of Action. The Council would act as a common forum for all parts of the United Nations system to take part in that effort, and would provide a link between policy and practice.

20. The coordination segment would have two themes: mainstreaming the gender perspective into all policies and programmes in the United Nations system, and promoting rural development in developing countries, using a coordinated and integrated United Nations approach. The Council must ensure that it allocated sufficient time to deal with those matters.

21. The operational activities segment would prepare the ground for the General Assembly's triennial policy review of operational activities for development of the United Nations system and provide an opportunity to discuss the way in which the United Nations Development Assistance Framework worked, a matter that was vital to the reform of the Organization. The closely related humanitarian affairs segment would provide guidance to strengthen the coordination of the Organization's emergency humanitarian assistance.

22. The general segment would be an important focus for her Presidency. The Council should make it as efficient as possible, and should pay attention to the work of the functional commissions and other subsidiary bodies, not only during that segment, but as part of its regular work throughout the year.

23. The 2004 spring meeting with the Bretton Woods institutions and the World Trade Organization would include representatives of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD). The support of all the relevant United Nations agencies was crucial in order to follow up the implementation of all the various components of the Monterrey Consensus. During the preparatory process for the spring meeting, the Council would share information and best practices with the private sector and civil society. She hoped that the meeting itself would promote coherence, coordination and cooperation.

24. In 2004, the Council would continue to pay attention to African countries emerging from conflict through its Ad Hoc Advisory Groups on Guinea-Bissau and Burundi. At its organizational session, it would consider a progress report from the former Group, and a report and recommendations from the latter. At its substantive session, it would examine the lessons learned from the initial experience of both Ad Hoc Groups.

25. By becoming more involved in post-conflict assistance, the Council was strengthening its working relationship with the Security Council and operational agencies of the United Nations and encouraging a comprehensive approach to peace and development in which the whole United Nations system could be engaged. The challenges of conflict and development were closely intertwined; there was therefore a need for a different approach both internationally and in the affected countries themselves.

26. The Council had taken a number of decisions to reform its working methods, accompanying the new momentum for reform in the Organization. The President of the General Assembly had taken an active

role in revitalizing that body and the Secretary-General had appointed a High-Level Panel On Threats, Challenges and Change. The Council should contribute to the work of that Panel and to the reform effort in general. The Bureau would consider how to improve the preparations for its meetings, and the members of the Council should consider how to focus on the various segments of the substantive session more closely. She undertook to listen to the members of the Council, to ensure that the Bureau worked in a transparent and responsive manner and to work to make the Council more relevant in the light of its role under the Charter of the United Nations.

Election of the Bureau

27. **The President** said that rule 18 of the rules of procedure specified that the Council should elect four Vice-Presidents. If there were no objections, she would take it that the Council wished to elect the candidates nominated by each regional group.

28. *Mr. Penjo (Bhutan), Mr. Koonjul (Mauritius), Mr. Aliyev (Azerbaijan) and Mr. Neil (Jamaica) were elected Vice-Presidents of the Council for 2004 by acclamation.*

29. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that the Department of Economic and Social Affairs fully supported the views expressed by the outgoing and incoming Presidents of the Council. It would do its utmost to work with the new President and Bureau to make a success not only of the spring meeting with the Bretton Woods institutions and the World Trade Organization and of the efforts to mobilize resources for the Brussels Programme of Action at the high-level segment of the substantive session, but also of the Council's more day-to-day work of post-conflict and humanitarian assistance.

30. The Department of Economic and Social Affairs would also support the efforts of the Council to reflect on its future role and the future role of the regional commissions, as part of the overall reform of the Organization. Consultations with the Executive Secretaries of the regional commissions with regard to the preparations for the Council's high-level segment had been a first innovative step. As former Executive Secretaries of the Economic Commission for Latin America and the Caribbean, he and the outgoing President of the Council were well aware that there was still more room to develop the regional dimension of the Council's work.

31. **Mr. Al-Bader** (Qatar), speaking on behalf of the Group of 77 and China, said that the Group of 77 and China would work with the new President and Bureau of the Council to help that body to play its part in fulfilling the aims of the Organization.

32. **Mr. Wrafter** (Ireland), speaking on behalf of the European Union, said that the new President and Bureau of the Council would have the full support of the European Union in what would certainly be an eventful year ahead.

Adoption of the agenda and other organizational matters (E/2004/1 and E/2004/2)

33. **The President** invited the Council to adopt the provisional agenda (E/2004/2).

34. *The provisional agenda was adopted.*

35. **The President** announced that, by adopting resolutions 1988/77 and 1989/14, the Council had decided to take certain measures designed to revitalize and improve its functioning. The General Assembly, in resolutions 45/264, 48/162, 50/227 and 52/12 B, had also approved measures designed to restructure and revitalize the Council.

36. On the basis of the guidelines set out in those resolutions, the Council would at its organizational session consider the provisional agenda for the session (E/2004/2) and the proposed basic programme of work of the Council for 2004 and 2005 (E/2004/1). In addition, the matters listed in the provisional agenda required the adoption of measures at the organizational session.

37. As indicated in paragraph 2 (1) of Council resolution 1988/77, informal consultations would be held on the proposed basic programme of work and other organizational matters. On the basis of those consultations, the Bureau would submit recommendations to the Council at its next meeting.

38. Turning to the question of seating arrangements for delegations, she proposed that, as in the previous year, lots should be drawn to determine which delegation would occupy the first seat. The delegation of Ukraine had thus been selected and the other delegations would be seated in alphabetical order.

39. **Mr. Seth** (Secretary of the Council) drew attention to two editorial errors in paragraph 6 of the proposed basic programme of work of the Council for 2004 and 2005 (E/2004/1). A corrigendum would be issued to reflect the necessary changes.

The meeting rose at 11.20 a.m.

United Nations E/2004/SR.2

Economic and Social Council

Provisional

19 February 2004

Original: English

Organizational session for 2004

Provisional summary record of the 2nd meeting
Held at Headquarters, New York, on Wednesday, 4 February 2004, at 10.30 a.m.

Chairperson: Ms. Rasi ..... (Finland)

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Adoption of the agenda and other organizational matters

Elections, nominations, confirmations and appointments

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04-22873 (E)

The meeting was called to order at 11.55 a.m.

Adoption of the agenda and other organizational matters (E/2003/32 (Part III), E/2004/1, E/2004/1/Corr.1, E/2004/2, E/2004/6, E/2004/7 and E/2004/L.2)

1. **The President** invited the Council to take action on the draft decisions contained in document E/2004/L.2.

Draft decision I: Substantive session of 2004 of the Economic and Social Council

2. *Draft decision I was adopted.*

Draft decision II: Provisional agenda for the substantive session of 2004 of the Economic and Social Council

3. *Draft decision II was adopted.*

Draft decision III: Basic programme of work of the Economic and Social Council for 2005

4. *Draft decision III was adopted.*

Draft decision IV: Working arrangements for the substantive session of 2004 of the Economic and Social Council

5. **The President**, replying to a point raised by Ms. Maille, said that informal talks would continue to be held under the joint chairmanship of Council Vice-Presidents Mr. Penjo and Mr. Neil.

6. *Draft decision IV was adopted.*

Draft decision V: Operational activities segment of the substantive session of 2004 of the Economic and Social Council

7. *Draft decision V was adopted.*

Draft decision VI: Theme for the humanitarian affairs segment of the substantive session of 2004 of the Economic and Social Council

8. *Draft decision VI was adopted.*

Draft decision VII: Theme for the regional cooperation item of the substantive session of 2004 of the Economic and Social Council

9. **Ms. Tamlyn** (United States of America), supported by Mr. Wrafter (Ireland) requested that the Council should defer its decision on draft decision VII.

10. *It was so decided.*

Draft decision VIII: Date of the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization

11. *Draft decision VIII was adopted.*

Draft decision IX: Participation of intergovernmental organization in the work of the Economic and Social Council

12. *Draft decision IX was adopted.*

International Civil Defence Organization

13. **The President** drew attention to document E/2004/6, which contained a letter by the Secretary-General of the International Civil Defence Organization asking that the organization's request for conversion into a specialized agency of the United Nations should be deferred to a later session of the Council. She took it that the Council wished to defer consideration of the issue.

14. *It was so decided.*

Committee on Non-Governmental Organizations

15. **The President** drew attention to the report of the Committee on Non-Governmental Organizations on its resumed 2003 session (E/2003/32 (Part III)), which recommended that the Council should adopt two draft decisions.

Draft decision I: Applications for consultative status and requests for reclassification received from non-governmental organizations

16. *Draft decision I was adopted.*

Draft decision II: Draft provisional agenda and dates for the 2004 session of the Committee on Non-Governmental Organizations and report of the Committee on its resumed 2003 session

17. *Draft decision II was adopted.*

Elections, nominations, confirmations and appointments (E/2004/L.1, E/2004/L.1/Add.1 and E/2004/L.1/Add.2)

Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

18. **The President** said she took it that the Council wished to elect Malaysia and Pakistan from the Group of Asian States and Mexico from the Group of Latin American and Caribbean States for a term beginning on the date of election and expiring on 31 December 2005.

19. *It was so decided.*

20. **The President** said she took it that the Council wished to further postpone the election of one member from the Group of Eastern European States and one member from the Group of Latin American and Caribbean States for a term beginning on the date of election and expiring on 31 December 2006.

21. *It was so decided.*

International Research and Training Institute for the Advancement of Women

22. **The President** said she took it that the Council wished to elect Italy to the Executive Board of the International Research and Training Institute for the Advancement of Women for a term beginning on the date of election and expiring on 31 December 2006.

23. *It was so decided.*

24. **The President** said she took it that the Council wished to further postpone the election of two members from the Group of African States, one member from the Group of Asian States and two members from the Group of Eastern European States.

25. *It was so decided.*

Committee for Development Policy (E/2004/L.1)

26. **The President** said she took it that the Council wished to approve the nomination by the Secretary-General of the 24 experts listed in document E/2004/L.1 for a term of office beginning on the date of appointment and expiring on 31 December 2006.

27. *It was so decided.*

Committee of Experts on Public Administration (E/2004/L.1/Add.2)

28. **The President** said she took it that the Council wished to approve the nomination by the Secretary-General of Mr. Wang Xiaochu to fill a vacancy on the Committee of Experts on Public Administration for a term of office beginning on the date of election and expiring on 31 December 2005.

29. *It was so decided.*

Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals (E/2004/L.1/Add.1)

30. **The President** said she took it that the Council wished to endorse the Secretary-General's decision to approve the application of Serbia and Montenegro for membership of the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals.

31. *It was so decided.*

Preparations for the high-level segment of the Council

Preparations for the special high-level meeting of the Council with the Bretton Woods institutions and the World Trade Organization

32. **The President** said that preparations for the Council's high-level segment would begin on 17 February 2004 and that the segment theme would be "Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010". The Bureau had extended invitations to various United Nations agencies and bodies and other potential participants, and would provide more information when responses had been received. Turning to preparations for the special high-level meeting of the Council with the Bretton Woods institutions and the World Trade Organization, she noted that the preparations, which had begun during the term of office of her predecessor, Mr. Rosenthal, were key to

the success of the meeting. Preliminary negotiations were under way with various stakeholders and with World Bank executives. It was essential to seek out their views concerning the format and organization of the meeting. Both the World Bank and the International Monetary Fund were keen to take an active part in the preparations and in the meeting itself. It was anticipated that there would be a plenary session in the morning, followed by six round tables, whose chairs would report back to the plenary. The views of non-governmental organizations and the private sector would also be heard. She herself would then summarize the meeting. She urged all Council members to discuss the meeting with their respective ministers and to note the need for careful preparation. She would continue her talks with the Bretton Woods institutions and the World Trade Organization and would keep the Council informed about their outcomes.

The meeting rose at 12.30 p.m.

United Nations E/2004/SR.3

Economic and Social Council

Provisional

20 February 2004

Original: English

Organizational session for 2004

Provisional summary record of the 3rd meeting
Held at Headquarters, New York, on Thursday, 5 February 2004, at 10 a.m.

Chairman: Ms. Rasi ..... (Finland)

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Briefing on the *World Economic Situation and Prospects 2004*

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04-23041 (E)

The meeting was called to order at 10.15 a.m.

Briefing on the *World Economic Situation and Prospects 2004*

1. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) introduced the *World Economic Situation and Prospects 2004*, which would be released to the public in mid-February. The report had been drafted jointly by the Department of Economic and Social Affairs and the United Nations Conference on Trade and Development (UNCTAD); as of 2005, all the United Nations regional commissions would also have significant input in its preparation. The report concurred with many analysts on the prospects for a broad-based world economic recovery: it predicted that world economic growth would increase from 2 1/2 per cent in 2003 to 3 1/2 per cent in 2004. While the recovery process was clearly led by the United States of America, the economy of China had also become a major locomotive for economic growth at both the regional and international levels. The Chinese economy had been growing very rapidly for the past 25 years; however, its capacity to lead growth had only gradually become apparent. Increased exports to China accounted largely for the current Japanese recovery and were an essential component of growth in other Asian countries.

2. The recovery would extend to every part of the world, although some of the industrialized economies, including those of the United States, Japan and Europe, were lagging and the economies of the Commonwealth of Independent States and Eastern European countries, which had already experienced fairly rapid growth in 2003, would in fact, slow down in 2004. The entire developing world would experience some acceleration in growth, including regions which had not fared well in recent years. Even in Latin America and the Caribbean, which had had the lowest growth rate among the developing countries in 2000, and would also have the lowest rate in 2004, growth acceleration had been significant: it had gone from negative growth in 2002 to positive growth in 2003 to fairly rapid growth by Latin American standards in 2004. Within that context, he cautioned that employment had not recovered as much as gross domestic product and continued to pose a serious problem. Whereas in the latter half of the 1990s and prior to the 2001-2002 recession, key private economic sectors in the United States and, to a lesser extent, Europe, had led economic growth, recovery was now based largely on extremely expansionary fiscal and monetary policies in the United States, Japan and, to some extent, Western Europe. While that trend must be addressed, abrupt reversal of those expansionary policies could be damaging.

3. He also cautioned against growing international imbalances, particularly, the high United States trade deficit, coupled with a very large fiscal deficit, suggesting that the United States might be undergoing financial difficulties. That had led to a major exchange rate correction, which the Federal Reserve Bank of the United States expected to be partially effective at best, and maybe only minimally effective. It might even have the opposite result, since depreciation of the United States dollar had a negative wealth effect on the rest of the world. Ultimately, international imbalances could be corrected only by more balanced economic growth in the world as a whole and by faster growth in the industrialized world, particularly in Europe and Japan. What happened with the fiscal deficit in the United States, on the other hand, would be determined by the policy decisions taken by its Congress and Government.

4. Chapter II of the report, which dealt with international trade and finance, noted that, despite more rapid growth in world trade — it was expected to accelerate to an annual rate of 7.5 per cent and had grown twice as fast as the world's gross domestic product — trade growth was still slower than it had been in the 1990s. That was attributable to a number of factors, including the uncertainties surrounding the Doha Round of multilateral trade negotiations within the framework of the World Trade Organization and the proliferation of regional and subregional arrangements, which weakened the multilateral character of international trade by undermining its most basic principle — that of most-favoured-nation treatment.

5. There had been several positive developments in the area of finance in 2003 and early 2004. Financial flows had begun to return to developing countries and there had been a significant reduction in risk perception; indeed, risk premiums in emerging markets were the lowest they had been since the period before the Asian and Russian crises. Nonetheless, developing countries' net resource transfers continued to be negative because of debt servicing; outflows continued to exceed net capital inflows, which came primarily from foreign direct investment. Official development assistance had slowly begun to rebound from its very

low levels; however, the approximately $16 billion committed at the International Conference on Financing for Development, held in Monterrey, represented only one third of the resources that would be necessary to achieve the Millennium Development Goals. In the area of financial reform, the creation of a multilateral debt framework by the International Monetary Fund (IMF) had been unsuccessful, leaving the world with a major vacuum in that area.

6. **The President** asked the Under-Secretary-General to discuss his expectations for the forthcoming Group of Eight meeting in the light of the concern in Europe over depreciation of the United States dollar.

7. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that the exchange rate was secondary to two other major issues facing the industrialized countries, namely, how to balance growth among them and achieve faster economic growth in Western Europe and Japan, and secondly, how to phase out expansionary policies once recovery was under way. Extremely effective coordination would be needed in order to achieve gradual, but not overly hasty, curbing of United States, Western European and Japanese expansionary policies in order to correct long-term fiscal and trade imbalances without affecting world economic recovery.

8. **Mr. Bernal** (Colombia) asked whether the economic environment for development was expected to improve or deteriorate in 2004.

9. **Mr. Neil** (Jamaica) noted that the expected growth in world trade of 7.5 per cent was attributable to import demand from developing countries, implying growth in those countries' markets. He wondered, however, whether the reverse situation, namely an increased demand in developed countries for developing countries' products, would not be better for developing countries.

10. **Mr. Al-Babal** (Qatar), speaking on behalf of the Group of 77 and China, enquired about the views expressed on depreciation of the United States dollar at the World Economic Forum, held recently in Davos, Switzerland.

11. **Mr. Essel** (Ghana), referring to the Executive Summary of the report, which described the setbacks associated with the war in Iraq and the outbreak of severe acute respiratory syndrome (SARS), asked whether the outbreak of avian influenza in South-East Asia and the culling of large quantities of poultry would have an impact on the world economic recovery.

12. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs), replying to the representative of Colombia, said that certain aspects of the international environment would foster development, for example, the upturn in financial markets and considerably lower risk premiums in two very high-risk areas, Latin America and Eastern Europe. It remained to be seen whether the return of capital would be sufficient to reverse sharply negative resource flows. On the other hand, accelerating trade had had a positive impact on non-oil commodities prices so crucial to developing countries (although commodities prices remained well below their pre-Asian-crisis levels). Since most commodities prices were quoted in United States dollars, they had risen with the depreciation of the dollar; however, when calculated in international currencies, such as the Special Drawing Rights (SDRs) of the International Monetary Fund, those prices remained fairly stable. Commodities prices had also improved as a result of the global economic recovery. Nonetheless, in the least developed regions of the world, growth rates were insufficient to achieve the major Millennium Development Goals. Although African growth was expected to increase to 4.25 per cent in 2004, it was believed that annual growth in Africa would have to reach at least 6 per cent in order to meet Millennium Development Goals.

13. Replying to the representative of Jamaica, he said that China was an example of how import demand in one country could stimulate economic growth in other parts of the world. More than 50 per cent of exports from the Republic of Korea and 11 per cent of Japanese exports went to China. United States exports to China were also increasing rapidly, as were exports from developing countries outside the immediate Asian region. It was true that import demand, if not accompanied by export dynamics could widen the trade deficit, but that had not happened in China thus far.

14. Replying to the representative of Qatar, he said that he had no information on the discussions at the Davos Forum, since he had not attended, but, in any case, as he had indicated earlier, currency corrections would play a very small role in reducing imbalances, for which the real remedy was more balanced growth among the major economies of the world.

That could be achieved in one of two ways — by a slowdown in the United States economy, which would be detrimental to the rest of the world, or by an acceleration of growth in Western Europe and Japan. Clearly, the latter option was the more desirable.

15. Lastly, replying to the representative of Ghana, he said that the impact of SARS on the world economy had actually been quite limited, and that, according to the press, while avian flu had taken its toll on the poultry sectors of the affected countries, it had not had any serious macroeconomic consequences.

16. **Mr. Aho-Glele** (Benin) said that the report apparently made no specific reference to the world's most vulnerable countries, and wondered whether the Under-Secretary-General could inform the Council of their economic prospects for 2004.

17. **Ms. Liu** (China) noted that the report referred to the United States as the driving force for developing countries' economies, and asked how the Under-Secretary-General believed the rest of the world should deal with that situation. She also noted that the report made many references to China's economy, and she wondered what, in the Under-Secretary-General's view, were the main economic problems facing China in the year ahead.

18. **Ms. Spirnak** (United States of America) said that her delegation welcomed the efforts made to integrate the outcomes of the Monterrey International Conference on Financing for Development into the report, as it saw the Monterrey Consensus as a new way to look at the conditions necessary to mobilize the financial resources for economic growth and development. Noting from the report that official development assistance was expected to grow by 31 per cent by 2006 as a result of that Consensus, she said that the United States had recently created the Millennium Challenge Corporation to manage its Millennium Challenge Account foreign aid fund, which would have $1 billion in new aid available for developing countries during 2004.

19. **Mr. Rosenthal** (Guatemala) noted that an understanding of the world economic situation, as provided by the report before the Council, gave members a context for their work, particularly in the light of the Council's forthcoming meeting with the Bretton Woods institutions. The fact that the next report would involve broader participation by the Council's Regional Commissions was a positive development. However, while the forecasts of economic growth and growth in world trade were to be welcomed, the report's assertion that the United States was the main driving force for the global economic recovery was a matter for concern. In the past, world economic expansion had been the result of expansion by all the world's leading economies: Japan, Europe and the United States. He therefore welcomed the fact that the latest meeting of the Finance Ministers of the Group of Seven major industrial countries in Boca Raton was focusing on how all economies could together achieve faster economic expansion along with financial stability.

20. He noted that the forecast economic growth in the developing world would follow three years of poor performance. Although three or four developing countries, including India and China, had developed strongly, the rest of the developing world — particularly countries in Latin America and Africa — had seen three years of virtual stagnation. Consequently, the expected growth in 2004 would not help to close the economic gap in accordance with the Millennium Development Goals.

21. He welcomed the comments made by the representative of the United States regarding the Monterrey commitments. However, although an increase in the level of development assistance aid could be foreseen, no serious progress had been made in terms of trade, and the world's financing goals were still very remote.

22. **Ms. Rosito** (Observer for Brazil) noted that one of the causes of the Asian economic crisis in the 1990s had been the weakness of the regulatory framework. Moreover, in the new millennium, there had already been problems with corporate governance in many countries, and clearly many regulatory problems remained. Moreover, she noted from the report that it was essential to reverse imbalances due to the expansionist fiscal and monetary policies of recent years. She therefore wondered what had been achieved in that regard, and whether the Under-Secretary-General foresaw risks to the world economy from continuing weaknesses in the regulatory framework.

23. **Mr. Neil** (Jamaica) asked whether the Under-Secretary-General could provide more information about the impact of the New Partnership for Africa's Development (NEPAD) on African countries.

24. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs), responding to the question posed by the representative of Benin, noted that the report provided a historic overview of output and trade levels among least developed countries, and that Africa and Asia were expected to show strong economic growth in 2004. However, the next report might well focus more on least developed countries. Addressing the question posed by the representative of China, he said that although the United States was the main driving force for the world economy, China was also a key driving force. Since China's contribution to the world economy was estimated to be 15 per cent, growth in China was clearly an important factor. The world must therefore ensure that China's growth was sustainable. One of China's main problems was the strengthening of its domestic financial system, and he welcomed the positive steps taken by China in that regard.

25. Turning to the questions posed by the observer for Brazil and the representative of Ireland, he noted that the report analysed all items on the agenda of the Monterrey Conference and that consideration of those items would be a major focus of future reports. He agreed with the representative of Guatemala that the poor performance of the western economy since the start of the present decade had resulted in negative consequences with respect to the Millennium Development Goals, and that the task of achieving those goals would consequently become more demanding, especially in Africa, where certain indicators, especially poverty reduction, were lagging behind. With respect to NEPAD, he noted that one of its major innovations was its use of a peer review system — first introduced a number of years earlier by the Organisation for Economic Cooperation and Development (OECD) — and said that he hoped its example would be followed by other organizations.

26. **Mr. Stanislavov** (Russian Federation) noted from the report that there had been a net transfer of financial resources from developing countries of $190 billion in 2002, and that a similar total was expected for 2003. He wondered whether the Under-Secretary-General could suggest a reason for that phenomenon.

27. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said it was generally agreed that the impact of the economic crises in Asia and Russia had been a major financial shock for developing countries. The Asian crisis had stopped financial flows to such countries, and risk premiums for developing countries' debt had increased following the Russian crisis. However, there were signs that the situation was improving: financial capital was returning and risk premiums had fallen significantly, to levels seen before the Asian crisis. Due to the negative financial flows, the major source of new financing to developing countries had been direct foreign investment. That investment was now falling, but might recover. The counterpart to the negative net flow of resources was the accumulation of foreign reserves by Asian countries, and especially China. That situation reflected China's strength, but it also reflected the fact that the world economy faced a major financial challenge: the United States' external deficit. For many years, one major problem facing the world economy had been the fact that even when developing countries developed flexible exchange rates, they must also accumulate significant foreign reserves in order to meet the potential risks of world economic volatility. That represented a cost for developing countries, which had to invest some of their savings to accumulate the reserves.

The meeting rose at 11.31 a.m.

United Nations E/2004/SR.4

Economic and Social Council

Provisional

20 February 2004

Original: English

Organizational session for 2004

Provisional summary record of the 4th meeting
Held at Headquarters, New York, on Friday, 6 February 2004, at 3 p.m.

President: Ms. Rasi ..... (Finland)

Contents

Adoption of the agenda and other organizational matters (*continued*)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

04-23179 (E)

The meeting was called to order at 3.15 p.m.

Adoption of the agenda and other organizational matters (*continued*) (E/2004/L.3)

1. **Mr. Kumalo** (South Africa), speaking as Chairman of the Ad Hoc Advisory Group on Burundi, said that a comprehensive account of the work of the Ad Hoc Group since his previous briefing in November 2003 was contained in the unedited report circulated to Council members. Following two months of consultations in New York with Burundi's development partners, the United Nations and its agencies, representatives of the Bretton Woods institutions and donor countries, the Ad Hoc Group had visited Burundi from 19 to 26 November 2003. Much of its work during the reporting period had been based on that visit.

2. The report contained an update on the political transition in Burundi, including the very successful meeting of the Forum of Development Partners of Burundi organized by the Government of Belgium, the Government of Burundi and the United Nations Development Programme (UNDP). Twenty-five countries had participated in the Forum, held on 13 and 14 January in Brussels, and pledges had totalled $1.032 billion. Ten days later, the Executive Board of the International Monetary Fund had approved a three-year arrangement under the Poverty Reduction and Growth Facility (PRGF) for Burundi to support the country's economic reform programme through January 2007. That should pave the way for debt relief for Burundi under the enhanced Initiative for Heavily Indebted Poor Countries by 2005. The Paris Club would also be granting debt relief to Burundi as soon as the country's PRGF was approved by the IMF Executive Board.

3. The work of the Ad Hoc Group had taken place at a crucial time in the Burundi peace process. The Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie (CNDD-FDD) (Nkurunziza), a major rebel group, had joined the Transitional Government, leading to the creation of a joint Army Command. More recently, President Domitien Ndayizeye had met with the Forces Nationales de Libération (Palipehutu-FNL) (Agathon Rwasa) in the Netherlands following the Forum of Development Partners to discuss the possibility of securing a ceasefire agreement and incorporating FNL, the only rebel group that had yet to join the peace process, into the Transitional Government. The people of Burundi and the international community were aware that the country had never been so close to a comprehensive and fully inclusive peace. Every initiative must be taken to consolidate the peace process.

4. The Government of Burundi had already done considerable work to launch the country on the path of sustainable development and lay the groundwork for increased involvement by the international community. Representatives of the World Bank and IMF, meeting with the Ad Hoc Group in New York, had indicated that, despite the turmoil, the Burundian Government had managed to keep good records of public expenditures and maintain a solid administrative structure, a prerequisite for absorbing increased international support.

5. The monetary, economic and social challenges faced by the country, however, were enormous. Its economy had been devastated by 10 years of war, the embargo imposed by the countries of the region from 1996-1999 and the collapse of the price of coffee, its major source of income. In addition to reconstruction and development efforts, Burundi had one of the highest proportions of displaced persons of any African country (more than 17 per cent of the population) and their return would raise specific problems. Burundi's level of vulnerability, according to United Nations figures, was one of the highest in the world. In order for the country to engage in economic recovery and long-term rehabilitation and sustain the peace process, its people must benefit from tangible, organized and sustained support by State institutions.

6. Despite the resolute efforts of the Government and other social actors, the magnitude of the problems called for strong support by the international community and genuine partnership between the Burundian authorities and their development partners. It was clear to the Ad Hoc Group that budgetary and balance-of-payments support were essential. Business sector representatives, with whom the Group had met in Bujumbura, had also stressed the need for budgetary support to enable State institutions to pay their bills to private companies contracted by them in order to avoid general insolvency and widespread bankruptcy.

7. The Ad Hoc Group welcomed the international support provided to the African Mission in Burundi (AMIB). In response to the African Union's request to

be replaced by a United Nations peacekeeping force, the Security Council had invited the Secretary-General to submit recommendations in early March on how the United Nations could best support the full implementation of the Arusha Peace and Reconciliation Agreement for Burundi. In conclusion, he drew the Council's attention to the specific recommendations outlined by the Ad Hoc Group in its unedited report.

8. **Mr. Wrafter** (Ireland) said that he would be making a substantive statement on the report on behalf of the European Union.

9. **Mr. Kumalo** (South Africa), speaking as Chairman of the Ad Hoc Advisory Group on Guinea-Bissau, said that updated information on the Ad Hoc Group's activities since its previous report to the Council (E/2003/95 of July 2003) was contained in the unedited text circulated to Council members. He was pleased to report that President Henrique Pereira Rosa and his Transitional Government had fulfilled their obligations to promote the rule of law and political stability under the partnership approach proposed in the Ad Hoc Group's previous reports, and that, in return, some international donors had begun to provide critical economic assistance.

10. Following the resignation of President Koumba Yalá in September 2003, a Political Transition Charter signed by political parties, civil society and the army had established a National Transitional Council, a Transitional Government and a Transitional President. Reacting promptly to those events, the Advisory Group had issued a statement on 18 September 2003, calling on donors to consider extending emergency assistance to help Guinea-Bissau restore democratic rule. The Ad Hoc Group had also expressed its full support for the efforts of the Economic Community of West African States (ECOWAS), the Presidency of the Community of Portuguese-speaking Countries (CPLP) and the United Nations office in Bissau to resolve the crisis.

11. In November 2003, the Ad Hoc Advisory Group had convened an informal dialogue on Guinea-Bissau at United Nations Headquarters. A positive and constructive exchange of views had taken place among Transitional President Pereira Rosa, the Transitional Government's Minister for Foreign Affairs, the Group of Friends of Guinea-Bissau, representatives of donor countries, the Executive Director for Guinea-Bissau and other senior officials at the World Bank, senior officials responsible for Guinea-Bissau at the International Monetary Fund, the Representative of the Secretary-General to Guinea-Bissau, the United Nations Resident Coordinator in Guinea-Bissau and representatives of UNDP and the Department of Political Affairs. That informal dialogue had helped to build trust in the transitional authorities' commitment and capacity to normalize the political situation, ensure discipline and rigour in the use of public finances and improve the country's socio-economic situation. The appeal for emergency and medium-term assistance for Guinea-Bissau had been well received, and modalities for providing such assistance had been considered.

12. The President of Guinea-Bissau had now fulfilled all his tasks under the partnership approach. He had not only appointed ministers but also requested assistance from the international community in capacity-building for his Government and he had scheduled elections for 28 March 2004 to establish a Parliament that would consider a new Constitution. The President and Vice-President of the Supreme Court had been elected on 26 January.

13. In response to the call for assistance, UNDP had launched the Emergency Economic Management Fund (EEMF) recommended in the Group's initial report. Contributions had already been received from the Netherlands, Sweden and France. The Community of Portuguese-speaking Countries had established a Special Fund for Guinea-Bissau, to be channelled through EEMF, to which Angola, Brazil and Portugal had contributed. A UNDP fund to support the organization of elections had already received contributions as well. In view of the dire socio-economic situation in Guinea-Bissau, the Group recommended that the Council should make a further appeal to the donor community to increase emergency assistance through contributions to the UNDP-managed Fund, which was currently at a level insufficient to ensure the functioning of basic public institutions for the entire year.

14. Since the Council would be assessing lessons learned from the Ad Hoc Advisory Groups on Burundi and Guinea-Bissau at its substantive session of 2004, the report did not contain a full assessment of the Ad Hoc Group's activities. However, positive lessons had already been learned, including the value of the partnership approach, which set out actions to be taken by both the international community and the authorities of Guinea-Bissau, as a framework for the response of international donors to the country's emergency needs;

of the UNDP-managed Emergency Economic Management Fund as a critical tool for channelling international assistance to Guinea-Bissau; and of its close working relationships with IMF and the World Bank, demonstrating how much could be achieved through complementarity.

15. The continued interaction between the Council and the Security Council on Guinea-Bissau was exemplary. The spirit of collaboration between them had been reflected in the Security Council's invitations to the Group to participate in its mission to West Africa and in its debates on Guinea-Bissau.

16. In conclusion, the Ad Hoc Advisory Group welcomed the developments described in the report and hoped that the new situation would help to further mobilize support from the international community. As legislative elections were scheduled for March, the Group could visit Guinea-Bissau to engage in a dialogue with the new Government on how the international community could best assist it. The Council, however, would need to extend the Group's mandate and provide support for such a mission.

17. **Mr. Wrafter** (Ireland) said that he would be making a substantive statement on the report on behalf of the European Union.

18. **The President** drew attention to draft decision E/2004/L.3 entitled "Status of non-governmental organizations and other major groups accredited to the World Summit on Sustainable Development", which had been submitted to her on the basis of informal consultations. The draft decision had no programme budget implications. She took it that the Council wished to adopt the draft decision.

19. *Draft decision E/2004/L.3 was adopted.*

20. **Mr. Shamanov** (Russian Federation), speaking in explanation of position, said that the decision just adopted involved complex issues which went beyond the framework of the Commission on Sustainable Development and had implications for the work of the entire United Nations system. His delegation was grateful to Mr. Toscano (Switzerland), the negotiations facilitator, for achieving a constructive consensus. While welcoming the involvement of non-governmental organizations (NGOs) and civil society organizations in the work of the United Nations, particularly in implementing the tasks agreed on at the World Summit on Sustainable Development, held in Johannesburg, and the International Conference on Financing for Development, held in Monterrey, his delegation wished to reiterate its position of principle, namely, that participation of NGOs in the work of the United Nations should be governed by the Council's decisions in that regard, and that any parallel procedures for NGO accreditation were inadmissible. His delegation therefore considered the decision just adopted to be an exception which should be limited to the first two-year implementation cycle of the Commission on Sustainable Development and to those groups or organizations already accredited to the World Summit on Sustainable Development.

21. NGOs wishing to participate in the work of the Commission in future should abide by Council decisions and be accredited by the Committee on Non-Governmental Organizations. In that connection, he wished to draw attention to paragraph (g) of the draft decision, requesting the Secretary-General to disseminate the decision widely. As time was of the essence, he urged the secretariat of the Commission on Sustainable Development to inform all interested NGOs of the decision as soon as possible. Referring to paragraph (c), he said that expressions of interest submitted to the Commission by NGOs would be an indication of how serious they were about participating in its activities during the first two-year implementation cycle. The Commission should monitor receipt of such expressions of interest and post them and all relevant information on its web site.

22. **Mr. Kotis** (United States of America), speaking in explanation of position, said that his delegation was grateful to Mr. Toscano (Switzerland), facilitator of the protracted and complicated negotiations which had culminated in the adoption of the draft decision. The decision marked an important step towards enhancing the work of the Commission on Sustainable Development and sent a strong message about the Organization's commitment to greater participation by NGOs and other major groups in the Commission's work with a view to achieving internationally agreed development goals. His delegation hoped that the consensus achieved on the draft decision would provide further impetus to efforts to streamline and increase the effectiveness of participation by NGOs and major groups in the work of the Commission on Sustainable Development.

23. **The President** said that, at its next meeting, the Council would hear, on the basis of the lists of NGOs

and other major groups referred to in the note by the secretariat (E/2004/8), the final decision on their participation in the work of the Commission on Sustainable Development.

24. **Mr. Aho-Glele** (Benin) asked whether it would be more appropriate to address the question of the graduation of Cape Verde and Maldives, a substantive issue, at the next substantive session rather than during the current organizational session. Thus far, it had been dealt with only in substantive sessions, having already been deferred from the substantive session of July 2003 to the resumed substantive session of December 2003.

25. **Mr. Khane** (Secretary of the Council) said that all pending matters had been referred to the current organizational session for action and read out the paragraph of the provisional agenda whereby the Council had decided to defer its consideration of chapter I.B of the report of the Commission on Sustainable Development on its eleventh session to the 2004 organizational session (E/2004/2, page 2).

26. **Mr. Aho-Glele** (Benin) expressed the hope that, if no adequate decision was taken during the current organizational session, the question would be given proper consideration during the next substantive session.

The meeting rose at 4 p.m.

United Nations E/2004/SR.5

Economic and Social Council

Provisional

2 March 2004

Original: English

Organizational session for 2004

Provisional summary record of the 5th meeting
Held at Headquarters, New York, on Friday, 13 February 2004, at 4 p.m.

President: Ms. Rasi ..... (Finland)

Contents

Adoption of the agenda and other organizational matters (*continued*)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

04-24142 (E)

The meeting was called to order at 4.10 p.m.

Adoption of the agenda and other organizational matters (*continued*) (E/2003/24, E/2003/29, E/2003/33, E/2003/90, E/2003/90/Add.1, E/2004/2, E/2004/8, E/2004/L.2, and E/2004/L.4)

Draft decision VII: Theme for the regional cooperation item of the substantive session of 2004 of the Economic and Social Council (E/2004/L.2)

1. **The President** invited the Council to take action on the draft decision contained in document E/2004/L.2.

2. **Mr. Wrafter** (Ireland), speaking on behalf of the European Union, said he accepted the theme on the clear understanding that it would not be the subject of a resolution at the substantive session in July 2004, in the context of the World Summit on the Information Society.

3. **Mr. Al-Bader** (Qatar), speaking on behalf of the Group of 77 and China, supported by **Mr. Aho-Glele** (Benin) and **Mr. Ayari** (Tunisia), said that the theme should be adopted without conditions. All other action, including the adoption of a resolution, should be left for debate during the substantive session.

4. **Mr. Seth** (Secretary of the Council), in response to a request for clarification, said that the matter at hand was a simple decision. Following the Council's action thereon, delegations were free to express their views. Any statements they made would be recorded in the summary records of the meeting.

5. **The President** said she took it that the Council wished to adopt the draft decision.

6. *Draft decision VII was adopted.*

7. **Ms. Tamlyn** (United States of America) said that the item had been presented as an information item and would be handled accordingly by her Government.

8. **Mr. Wrafter** (Ireland), speaking on behalf of the European Union, said that his agreement was based on his earlier statement and the Secretary's clarification.

9. **Mr. Al-Bader** (Qatar) reaffirmed that the Group of 77 and China accepted the theme without conditions.

Ad hoc advisory group on African countries emerging from conflict (*continued*)

10. **The President** said that consultations would continue with the Chairman of the Ad Hoc Advisory Groups on Burundi and Guinea-Bissau, and that the respective reports of the Ad Hoc Groups would be dealt with at an additional meeting of the organizational session.

11. **Mr. Wrafter** (Ireland), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the candidate countries Bulgaria, Romania and Turkey, the potential candidates Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Serbia and Montenegro, and, in addition, Iceland and Norway, said that the work of the Ad Hoc Advisory Group on Guinea-Bissau was an example of the increasing interaction between the Security Council and the Economic and Social Council in addressing the challenges of peace-building in countries emerging from conflict. The United Nations, which had significant experience in guiding transition processes, must continue to work with the Transitional Government to prevent a slide back into conflict, and to address longer-term sustainable development and governance issues. The Ad Hoc Group had an important role to play in encouraging the international community to remain engaged. The European Union therefore favoured an extension of the Group's mandate.

12. There had been encouraging developments in Guinea-Bissau since the Group's previous meeting, and he looked forward to the holding of free and fair elections on 28 March 2004. Elections, however, were not the end of the transition phase, but a step towards democratic governance and legitimacy. The European Union was anxious to see a rapid return to constitutional legality and, until that was achieved, wished to be sure that fundamental freedoms, human rights and political pluralism would be respected. The transition phase would decide the future stability and prosperity of the country, and the commitment of the international community was therefore essential.

13. Guinea-Bissau remained one of the world's poorest countries. It needed to achieve stability in order to reduce poverty and help spread stability throughout the region. Accordingly, the emergency economic

management fund, established by the United Nations Development Programme to fund recurrent budgetary expenses in key sectors and to promote transparency and accountability in the provision of emergency aid, was in immediate need of generous donations. The European Union was already an important contributor. He welcomed the sustained commitment of the Bretton Woods institutions to Guinea-Bissau, and commended the Economic Community of West African States and the Community of Portuguese-Speaking Countries for their continued positive engagement.

14. The transition would be followed by the development phase, when it would be necessary to address longer-term development goals. In that connection, the international partnership approach advocated by the Ad Hoc Advisory Group was the best means of helping Guinea-Bissau move towards a more stable and prosperous future.

15. Turning to the Ad Hoc Advisory Group on Burundi, he noted the European Union's role in both the political and the development fields. It had been a witness to the Arusha Peace and Reconciliation Agreement for Burundi and was represented on the Agreement's Implementation Committee; it provided material support to the peace process and humanitarian assistance, and maintained development projects in a difficult environment.

16. He commended all the Burundian parties involved in the difficult negotiations that had led in 2003 to important ceasefire agreements and the swift integration of the Transitional Government. He welcomed the outcome of the talks held in the Netherlands, in January 2004, between the President of Burundi and the Forces nationales de libération (FNL). The facilitation team and the African Mission in Burundi had done outstanding work.

17. Despite overall progress towards peace, the situation in Burundi remained fragile. Many refugees and internally displaced persons still needed resettlement, the ceasefire was not all-inclusive and a long-existing climate of impunity had yet to be addressed. He condemned the tragic murder of the Apostolic Nuncio to Burundi on 29 December 2003.

18. Highlighting some of the principal challenges, he said that peace and security would be unattainable without the full participation of FNL in the peace process; an integrated army and police force must be established and former combatants disarmed, demobilized and reintegrated for the transition to succeed; the implementation of the Arusha Agreement and the preparation of elections must remain a priority; and the advances in the peace process must be consolidated with improvements in the human rights and social and economic situations, in particular with regard to health and education and the situation of women and children.

19. Economic revival, including through diversification, was essential to sustainable peace. The European Union had participated in the Forum of Development Partners of Burundi, held in Brussels in January 2004. Parties to the conference had pledged $1,032 million over the next three years towards poverty eradication and sustainable development, and efforts were being made to allow Burundi to participate in the Heavily Indebted Poor Countries Initiative.

20. He commended the Chairman of the Ad Hoc Advisory Group on Burundi for the Group's work; the European Union looked forward to its report and intended to study its recommendations carefully. Action between the Economic and Social Council, through the Ad Hoc Group and the Security Council should continue. He congratulated the Government of Burundi for progress achieved to date, and said that the European Union's engagement would continue.

Implementation of General Assembly resolutions 50/227 and 52/12 B (E/2003/90 and Add.1)

21. **The President** said it had been decided, following informal consultations, that more time was required for consideration of the Secretary-General's report contained in documents E/2003/90 and Add.1, and requested the facilitator to continue her consultations.

Draft decision: Bureau of the Commission on Sustainable Development (E/2004/L.4)

22. **The President** invited the Council to take action on the draft decision contained in document E/2004/L.4, which she had submitted on the basis of informal consultations. The draft decision had no programme implications.

23. *Draft decision E/2004/L.4 was adopted.*

Committee for Development Policy (E/2003/33)

24. **The President** said it had been decided, following information consultations, that more time was required for consideration of the report of the Committee for Development Policy contained in document E/2003/33, and requested the facilitator to continue her consultations.

Draft decision: Report of the Statistical Commission on its thirty-fourth session and provisional agenda and documentation for the thirty-fifth session of the Statistical Commission (E/2003/24)

25. **The President** invited the Council to take action on the draft decision contained in document E/2003/24.

26. **Ms. Tamlyn** (United States of America) requested a vote by roll-call.

27. **Mr. Al-Bader** (Qatar), speaking on behalf of the Group of 77 and China in explanation of vote before the voting, noted that concerns had been raised regarding the report of the Statistical Commission, which was worrying because the report had been adopted by consensus. He wished to place on record the unqualified agreement of the Group of 77 with the report, and to reiterate the views expressed by the Chair of the Group of 77 at the Council's substantive session in July 2003.

28. He disagreed with the suggestion that the Commission's emphasis on indicators for monitoring the implementation of Millennium Development Goal 8 was not based on a consensus among members of the Council. Paragraph 32 of General Assembly resolution 57/270 B, which had been adopted after the Commission's thirty-fourth session, stressed the need for such indicators, and the Group of 77 would be dismayed if delegations sought subsequently to dissociate themselves from it.

29. The Nordic countries were to be commended for their expressed intention to be among the first of the developed countries to report on the implementation of Goal 8. He urged the Statistical Commission to address the task of drawing up an international framework for such reporting, which would be essential to the fulfilment of its mandate in relation to the United Nations Millennium Declaration.

30. **Ms. Tamlyn** (United States of America) said that the United States would vote against the draft decision. It was the Council's responsibility to exercise its oversight authority over its numerous subsidiary bodies; it must never serve as a rubber stamp. She wished to raise three points in that regard.

31. Firstly, in recommendation 4 (c) of its report the Commission had undertaken to pronounce on issues outside its mandate. It was not within its purview to prepare for the review of the United Nations Millennium Declaration in 2005 or to prioritize the Millennium Development Goals, and it was inappropriate for the Commission to instruct a selected group of countries on reporting requirements. The Council should remind functional commissions to operate strictly within their mandates.

32. Secondly, recommendation 4 (c) did not reflect an intergovernmental consensus on either the Goals or on preparations for the event in 2005. In undertaking to create policy, the Commission was encroaching on the Council's prerogatives. Where such policy was inconsistent with its own, the Council needed to point that out.

33. Thirdly, subsidiary bodies must follow correct procedure. Members must never be requested to approve substantive changes to the draft report without prior submission of such changes in writing and adequate time to consider them. Regrettably, that procedure had not been followed at the Commission's session.

34. She commended the Statistical Commission on its important work, and urged it to discuss the issues she had raised. She also urged the Council to take its oversight responsibilities seriously.

35. **Ms. McElwaine** (Ireland), speaking on behalf of the European Union, said she regretted that no consensus had been reached on the draft decision. The European Union would abstain from voting. She would welcome clarification from the Commission of the parts of its report that related to reporting on the Millennium Development Goals. She wished to note that the European Union in no way dissociated itself from General Assembly resolution 57/270 B. All Member States should work together towards fulfilment of the Goals.

36. *The vote was taken by roll-call.*

37. *Panama, having been drawn by lot by the President, was called upon to vote first.*

In favour:

Armenia, Azerbaijan, Bangladesh, Belize, Benin, Bhutan, Burundi, Chile, China, Colombia, Congo, Cuba, Ecuador, El Salvador, Ghana, Guatemala, India, Indonesia, Jamaica, Japan, Kenya, Libyan Arab Jamahiriya, Malaysia, Mauritius, Namibia, Nicaragua, Nigeria, Panama, Qatar, Russian Federation, Saudi Arabia, Senegal, Tunisia, United Arab Emirates, United Republic of Tanzania, Zimbabwe

Against:

United States of America

Abstaining:

Australia, Belgium, Canada, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Poland, Republic of Korea, Sweden, Turkey, Ukraine, United Kingdom

38. *The draft decision was adopted by 36 votes to 1, with 16 abstentions.*

The meeting rose at 5.05 p.m.

United Nations E/2004/SR.6

Economic and Social Council

Provisional

4 March 2004

Original: English

Organizational session for 2004

Provisional summary record of the 6th meeting
Held at Headquarters, New York, on Friday, 27 February 2004, at 3.55 p.m.

President: Ms. Rasi ..... (Finland)

Contents

Adoption of the agenda and other organizational matters (*continued*)

Elections, nominations, confirmations and appointments (*continued*)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

04-25638 (E)

The meeting was called to order at 3.55 p.m.

Adoption of the agenda and other organizational matters (*continued*)

Change of dates for the "Social Forum" of the Subcommission on the Promotion and Protection of Human Rights

1. **The President** proposed that the "Social Forum" should be held from 22 to 23 July 2004, immediately before the session of the Subcommission on the Promotion of Human Rights, instead of 3 to 4 May 2004.

2. *It was so decided.*

Implementation of General Assembly resolutions 50/227 and 52/12 B (E/2003/74, E/2003/90 and Add.1)

3. **The President** proposed that the Council should take note of the consolidated report of the Secretary-General on the work of the functional commissions of the Economic and Social Council in 2003 contained in documents E/2003/90 and Add.1, and the report of the Secretary-General on progress in implementing the Council's agreed conclusions 2002/1 contained in document E/2003/74.

4. *It was so decided.*

Elections, nominations, confirmations and appointments (*continued*)

Executive Board of the International Research and Training Institute for the Advancement of Women

5. **The President** informed the Council that the Group of African States and the Group of Asian States, respectively, had endorsed Burkina Faso, Nigeria and the Islamic Republic of Iran to fill three vacancies on the Board which had been postponed from the previous year. She took it that the Council wished to elect Burkina Faso, the Islamic Republic of Iran and Nigeria to the Executive Board for a term beginning on the date of election and expiring on 31 December 2006.

6. *It was so decided.*

7. **The President** said she took it that the Council wished to further postpone the election of two members from the Group of Eastern European States for a term beginning on the date of election and expiring on 31 December 2006.

8. *It was so decided.*

Executive Board of the World Food Programme

9. **The President** informed the Council that Norway was relinquishing its seat on the Board and that Denmark had been endorsed by the Group of Western European and other States to complete Norway's term of office. She took it that the Council wished to elect Denmark to replace Norway for a term beginning on the date of election and expiring on 31 December 2006.

10. *It was so decided.*

The meeting rose at 4 p.m.

United Nations E/2004/SR.7

Economic and Social Council

Distr.: Provisional
28 June 2004

Original: English

Organizational session for 2004

Summary record of the 7th meeting
Held at Headquarters, New York, on Friday, 23 April 2004, at 11.55 a.m.

President: Mr. Koonjul (Vice-President) ..... (Mauritius)

Contents

Special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

04-33088 (E)

In the absence of the President, Mr. Koonjul (Mauritius), Vice-President, took the Chair.

The meeting was called to order at 11.55 a.m.

1. **The President** said that, in accordance with General Assembly resolution 58/230, the President and Vice-Presidents of the Council had been preparing for the special high-level meeting to be held on 26 April 2004. Preparations had begun much earlier than in previous years, with more in-depth intergovernmental interaction, as envisioned in the Monterrey Consensus, among all relevant institutional stakeholders.

2. At the organizational session of the Council held on 3 February 2004, the President of the Council had circulated a briefing note on those preparations. Prior to the informal consultations on the same matter held on 27 February 2004, she had circulated a non-paper to share with the Council the ideas which had emerged from the consultations with various institutional stakeholders and the proposals submitted by the Secretariat. At the informal consultations, she had shared with the Council her preliminary thoughts on the high-level meeting, asked for its views so that there could be more clarity in finalizing the preparations, and suggested giving the event a broad overall theme, in keeping with the holistic, integrated approach of the Monterrey Consensus, and having two or three more focused themes for the round tables. She had emphasized that that aspect should be clarified rapidly, in order to allow sufficient time for substantive preparations and for consultations with major institutional stakeholders.

3. The Bureau had held constructive and productive consultations in Washington on 23 March 2004 with the Executive Directors of the International Monetary Fund, who had expressed satisfaction with the proposed round-table themes and given their views on each. On 23 March 2004, also in Washington, the Bureau had met with the Executive Directors and members of the secretariat of the World Bank, who had welcomed the proposed round-table themes as corresponding to the ongoing work of the Bank and had made a commitment to follow up the Monterrey process on financing for development.

4. In late March 2004, the President had held meetings with representatives of the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) in Geneva. Her meeting with Mr. Oshima, Chairman of the General Council of WTO, and Mr. Yerxa, Deputy Director-General of WTO, had resulted in a commitment to ensure adequate WTO participation. Mr. Sha, the President of the Trade and Development Board of UNCTAD, had confirmed that he would attend the special high-level meeting and suggested that a representative of the UNCTAD secretariat, probably the Secretary-General of UNCTAD himself, might co-chair one of the round tables on investment and trade issues.

5. On the basis of those consultations and of the mandate given by the General Assembly in paragraph 11(c) of its resolution 58/230, the Bureau had agreed on, and circulated to the Member States, three themes: "Impact of private investment and trade-related issues on financing for development"; "Role of multilateral institutions in reaching the Millennium Development Goals"; and "Debt sustainability and debt relief". The selection of the themes had been guided by her consultations with the Bureau and the Council, her consultations with institutional stakeholders, and the agendas of the intergovernmental bodies and institutional stakeholders.

6. The Bureau had sought to take account of all the views and suggestions it had received. It had been suggested that there should be a broad, overall theme for the meeting and more focused themes for the round tables, but the Bureau had held consultations on the request from some countries for a change in the title of the meeting and for more round tables. It proposed that the themes for the meeting should remain unchanged, but, in order to address the doubts expressed over the follow-up to the Monterrey Consensus in the round tables, it also proposed that the President of the Council should, in her opening statement, reflect the context of the discussions and the concerns regarding the themes, including the wish of a large number of countries to raise the issue of voice, participation and representation of developing countries in the international, economic and financial decision-making processes. He was confident that the special high-level meeting with the Bretton Woods institutions and UNCTAD would be constructive.

7. **Mr. Abdalla** (Qatar), speaking on behalf of the Group of 77 and China, said that the Council's recent discussions in preparation for the forthcoming special high-level meeting had shown the importance of transparent and inclusive consultations, in accordance

with the spirit of Monterrey and the relevant General Assembly resolutions. The consultations should have been held sufficiently in advance to allow for an exchange of ideas and an understanding of issues connected with Monterrey and the concerns of the Member States and all relevant stakeholders.

8. Despite its reservations regarding the manner in which the consultations had been conducted, the Group of 77 and China did not object to the Bureau's proposals concerning the themes for the meeting, on the understanding that its concerns would be addressed during the meeting and that delegations would be able to address the issues of concern and interest to them in connection with the follow-up to the Monterrey Consensus during the round tables and the afternoon session, as the President had suggested. It wished to highlight its interest in discussing the issue of voice, participation and representation of developing countries in the international economic and financial decision-making processes at the meeting.

9. The Group reiterated its position that the title of the meeting should include UNCTAD, on the same level as other intergovernmental bodies, in accordance with Economic and Social Council resolution 2003/47 and General Assembly resolutions 58/230 and 57/270 B. It was surprised that a few delegations had expressed reservations regarding the inclusion of UNCTAD in accordance with resolutions which had been adopted by consensus.

10. Because it attached importance to financing for development and to the special high-level meeting, the Group would not object to postponing consideration of the issue of the title of the meeting, and it understood that the Bureau would make the necessary arrangements to convene meetings of the Council for that purpose so that the Group's concerns and outstanding matters could be discussed during the Council's substantive session. When the special high-level meeting took place, the Bureau should acknowledge the presence of the President of the Trade and Development Board of UNCTAD.

11. **Ms. Nuñez Mordoche** (Cuba) said that her delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. It welcomed the detailed information on the preparations for the special high-level meeting, but regretted that, because those preparations had not been transparent, participatory and inclusive, they had failed to take account of the concerns of the 134 members of the Group of 77 and China.

12. She had been surprised that a group of countries had selectively interpreted and cast doubt on legislative mandates provided by the General Assembly; resolution 58/230, in particular paragraphs 11 (b) and 11 (c), was clear and should be implemented.

13. Paragraph 11 (b) of resolution 58/230 called for UNCTAD to be included among the participants in the special high-level meeting to follow up the International Conference on Financing for Development, bearing in mind General Assembly resolution 57/270 B and Economic and Social Council resolution 2003/47. Her delegation found it unacceptable to discriminate against UNCTAD by not placing it on the same footing as the Bretton Woods institutions and WTO. Paragraph 11(c) of resolution 58/230 stipulated that the President should report to the Council on the special high-level meeting, but that had also been challenged. Her delegation hoped that rapid action would be taken to prevent such situations from recurring in the future.

14. **Ms. Houngbedji** (Benin) said that the current Bureau had adopted the practice of conducting advance negotiations with a small number of States; it was no longer the voice of the Council. In order to avoid potential legal problems, broader consultations should be held in preparation for the substantive session of 2004.

15. **Mr. Abdalla** (Qatar) said he had the impression that his statement on behalf of the Group of 77 and China had not been noted.

16. **The President** assured the representative of Qatar that all statements made in formal meetings of the Council were duly noted.

The meeting rose at 12.15 p.m.

United Nations E/2004/SR.8

Economic and Social Council

Provisional

28 June 2004

Original: English

Substantive session of 2004

Provisional summary record of the 8th meeting
Held at Headquarters, New York, on Monday, 26 April 2004, at 9.45 a.m.

President: Ms. Rasi ..... (Finland)

Contents

Special high-level meeting with the Bretton Woods institutions and the World Trade Organization

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04-32261 (E)

The meeting was called to order at 10 a.m.

Special high-level meeting with the Bretton Woods institutions and the World Trade Organization

Statement by the President

1. **The President** welcomed the Chairman and other representatives of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD), who were participating in the high-level meeting for the first time. She personally felt a great responsibility to carry out the mandate conferred on the Economic and Social Council by the Monterrey Consensus, in cooperation with all the actors present at the high-level meeting. The presence of the President of Finland, ministers and senior officials of member States, representatives of key international development, financing and trade institutions, the managing directors of the World Bank and the International Monetary Fund (IMF) and a number of United Nations agencies attested to the international community's strong commitment to following up the International Conference on Financing for Development.

2. Every effort had been made to establish a practical and feasible agenda for the round tables. While the main theme of the day's programme was coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus, the round tables would also address the issue of enhancing the voice, participation and representation of developing countries in international economic and financial decision-making processes, and other issues of broad concern. The least developed countries and other important development themes that could not be dealt with at the special meeting would be the focus of the Council's substantive session. Financing for development was part of a wider agenda of integrated and coordinated implementation of the outcomes of the major United Nations conferences and summits, which would be reviewed in a comprehensive manner in 2005.

3. Lastly, she drew the Council's attention to the note by the Secretary-General on coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus (E/2004/50), which contained questions to guide, but by no means limit, the round-table discussions, and to the summaries of the very productive hearings with representatives of civil society and the business sector organized by the newly established Financing for Development Office in the Department of Economic and Social Affairs. She was pleased to note that non-governmental and private-sector organizations would be providing input to the round tables as full partners in the Monterrey Consensus.

Address by the Secretary-General

4. **The Secretary-General** said that, when the world had agreed on the Millennium Development Goals, the year 2015 — the agreed target date for achieving them — had seemed far off. The goals had certainly been ambitious, but almost every expert had agreed that they were achievable. Four of the fifteen years had already passed and the results thus far were, at best, mixed. Even if the current recovery in the world economy speeded up or spread more widely, that would not be enough to ensure that the world met the Millennium Development Goals. Only by building on the spirit and promise of the Monterrey Consensus — the focus of the special high-level meeting — would there be a fair chance of doing so. As things stood, two years after the International Conference on Financing for Development held in Monterrey, the decisions taken there were not being implemented fast enough; and lack of coherence, so central to the Monterrey Consensus, continued to be as much a problem as it had been then.

5. At the heart of the Consensus, there had been a pact — a recognition that, if it was possible to build an open and equitable global economy, both developed and developing countries had specific responsibilities. Developing countries had agreed to improve governance, economic management and their investment climates and to build up their human resources. Even if not every developing country had made sufficient progress, there was strong evidence that, on the whole, the developing world had taken many positive steps in those directions. Developed countries, for their part, had increased official development assistance and were paying greater attention to the issue of external debt. But in the area where progress was needed most — trade — the record was mostly disappointing. Indeed, with the failure of the Fifth Ministerial Conference of the World Trade Organization (WTO), held in Cancún, and a growing

resort to bilateral trade agreements, the world had backtracked significantly.

6. It was not too late to regain the path on which the international community had set out with such hope. Member States could make a start that very day by continuing their efforts to ensure that their policies and ministries did not work at cross-purposes. The international community must demonstrate clearly, by next year's review of the United Nations Millennium Declaration, that it was truly serious about reaching the Millennium Development Goals.

7. For all the problems the world was facing, it still remained true that almost every country could reach the Millennium Development Goals by 2015, as long as reforms were implemented and adequate external support was provided. By next year, however, it might already be too late.

8. His note on coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus (E/2004/50), prepared in close consultation with the World Bank, IMF, UNCTAD and the United Nations Development Programme (UNDP), attempted to set out some of the main things needed to put the world securely on track. First, there was a need to make sure that national policies, resources and strategies were focused on reaching the Millennium Development Goals. Domestic resources were the largest source of financing for development and could be especially effective if focused on education, health, infrastructure, capacity- and institution-building and efforts to improve regulatory frameworks and public administration. Second, there was a need for greater foreign investment in developing countries, especially those that had taken steps to improve the investment climate. Third, the negotiations under the Doha work programme must produce real gains for developing countries, such as unhindered market access and the elimination of subsidies. Fourth, there was a need for more and better aid, with action on some of the promising ideas that had been proposed, such as the international finance facility. Fifth, the high debt burdens of low- and middle-income countries not covered by the Heavily Indebted Poor Countries (HIPC) Initiative must be addressed.

9. He hoped the meeting would be used to determine how to do better in all those vital areas and how to strengthen the coordination and cooperation so crucial for achieving any progress. More must also be done to strengthen the voice and participation of developing countries in international economic decision-making. The Monterrey Consensus had set in motion a process that had taken the first steps in that direction, recognizing rightly that democratizing global economic governance was as essential as any development project and was vital for building confidence in the system.

10. Special high-level meetings had been held for several years. They were a very important complement to the work of the Council; however, as happened with many endeavours, there came a time to take stock and see how to improve their effectiveness, to consider how they could be better focused and how it would be possible to sustain the momentum and make the most of those joint discussions of common challenges. He invited participants to reflect on that question, too, in the course of the special high-level meeting, so that all participants could have the benefit of their views.

Statements by intergovernmental organizations

11. **Mr. Hunte** (President of the General Assembly) said that the theme of the current special high-level meeting recalled the emphasis placed on coherence at the Monterrey Conference, and on the need for the World Trade Organization (WTO) to be among those organizations playing a critical role in the area of financing for development. The participation of UNCTAD for the first time marked the addition of an important player to the group of key organizations whose cooperation with the Economic and Social Council and the General Assembly and input into the Monterrey process were critical.

12. Fortunately, the partnerships created among all stakeholders — Governments, international institutions, civil society and the private sector — remained intact and augured well for the international community's capacity to deliver on the Consensus. During the High-level Dialogue on Financing for Development, convened by the General Assembly in October 2003, those partnerships had ensured a frank and open exchange on the progress achieved thus far. On that occasion, he had commented on the international community's "mixed report card" in implementing the Monterrey commitments. The persistent and critical issues requiring further and urgent attention were well known. It was well known, for example, that despite the efforts of many developing countries to create an enabling environment

for foreign direct investment, including through strengthened democracy and democratic governance, foreign direct investment had not been forthcoming and, in any case, was not a reliable source of development financing. Given the reduction in the levels of official development assistance in recent years, other effective development financing strategies must be found.

13. International trade was a key element of the international development framework, a point he had emphasized two days earlier at a meeting jointly hosted by the Centre for Global Development and the Commonwealth Secretariat to discuss the "Stiglitz Plan". WTO must therefore be a key stakeholder in development financing initiatives. There was every indication that a dynamic and fair multilateral trading system was not yet in place. Much remained to be done with regard to granting special and differential treatment to least developed countries, landlocked developing countries and small island developing States (SIDS), although the latter would no doubt be considered in the preparations for the 10-year review of the Programme of Action for the Sustainable Development of Small Island Developing States, to be held in Mauritius in September.

14. Developing countries grappling with serious debt burdens found it difficult to cope with dramatic decline or stagnation in their economies. In the current global economic environment, debt cancellation, particularly for HIPC countries, might be more effective than debt maintenance in promoting the sustainable development of developing countries. He was pleased that aid, trade and debt, in the context of the Millennium Development Goals, would be discussed by the round tables at the special high-level meeting.

15. Advocacy, mobilization of resources and capacity-building were needed in order to meet the 2005 targets and make progress towards meeting the 2015 targets. To that end, each of the organizations represented at the special high-level meeting must ensure that development issues were addressed comprehensively. He welcomed the ministerial participation underpinning the current special meeting and the Council's forthcoming high-level segment and reiterated the importance of the Council's oversight responsibilities and the General Assembly's policy-setting role. Lastly, he called for a "sustainable development offensive" in response to the developing countries' growing sense of urgency to achieve poverty eradication, sustainable economic growth, sustainable development and a more equitable global economic system.

16. **Mr. Kamal** (Minister of Finance of Qatar), speaking on behalf of the Group of 77 and China, said that, although prospects for global economic growth had improved in the current year, the challenges remained the same: how to eliminate poverty and ensure that developing countries participated effectively in global economic recovery and prosperity. Globalization had thus far failed to meet the needs of developing countries. Continued increases in economic disparities between developed and developing countries called into question the fairness and sustainability of the international economic system. The failure to adopt new approaches and policies to make globalization and the phenomenal global prosperity of the past three decades a shared opportunity threatened both the livelihood of billions of people and international peace and security. The Group of 77 and China therefore welcomed the establishment by the Secretary-General of the High-level Panel on Threats, Challenges and Change.

17. He stressed the need to treat development challenges as a coherent whole. It made no sense to provide aid to developing countries while denying them market access on practical and beneficial terms, or to claim that liberalization spurred growth and development but to practice it selectively. The developing countries had surpassed the rest of the international community in their liberalization efforts, while the developed countries had been slow and selective. Liberalization in trade and the movement of individuals must be commensurate with liberalization in the movement of capital. It was also important to recognize the burden that balancing the three pillars of sustainable development — economic growth, social responsibility and environmental sustainability — placed on the meagre resources of developing countries.

18. The voice and participation of developing countries in global economic decision-making must be enhanced in order to afford them the economic policy environment they needed to break the stranglehold of poverty. Developing countries attached particular importance to their participation in the work of WTO, the World Bank and IMF. In that connection, the Group of 77 and China were closely following the ongoing consultations on the capacity of developing countries

for effective representation and involvement in the work of those institutions, including at the highest levels.

19. The right policy mix and the urgent need for the international community to implement the commitments already undertaken continued to be key points. In the area of trade, urgent action must be taken to address the plight of commodity-dependent developing countries and to improve market access for their export products. At the same time, harmful subsidies, particularly agricultural subsidies, and other policies of the developed countries that distorted trade and cut off market access must be discontinued. In the meantime, the developing countries needed all possible technical and financial support to build their capacity to trade, including special and differential treatment in the multilateral trading system. The Group of 77 and China would continue to support the Doha negotiations, provided that they were given genuine development content and that the developed countries demonstrated good will. The developing countries' steadfast support for an open, rule-based multilateral trading system must be reciprocated by the developed countries.

20. For developing countries, foreign direct investment held the key to diversifying production, acquiring new technologies and achieving critical productivity gains as a prerequisite for growth and sustainable development. The developing countries required support from their development partners to burden market access and improve their social and physical infrastructure. Governments would need to work together with the private sector to forge mutually supportive arrangements in that area.

21. In pursuing those initiatives, the developing countries, particularly those with the weakest economies, would continue to depend on official development assistance. The Group of 77 and China welcomed the many initiatives put forward in Monterrey and called for their full and speedy implementation. In the past, aid had often been too little or too late; to be truly effective, it must be timely, unencumbered by unnecessary conditions and channelled into areas where its impact could be maximized. At the same time, providing aid on more concessional terms and enabling developing countries to participate effectively in international trade would help to reduce debt overhang. External debt relief should be linked to the achievement of the goals and targets of the Millennium Declaration.

22. **Mr. McCreevy** (Minister for Finance of Ireland), speaking on behalf of the European Union, the acceding countries (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia), the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), said that it was essential to build on the integrated and collaborative approach taken by the United Nations, the Bretton Woods institutions and the World Trade Organization (WTO). Discussions at the current high-level meeting should aim to reinforce coherence, coordination and cooperation among relevant international organizations. Many major reports had been issued by both the United Nations and the World Bank highlighting the faltering progress of many countries in sub-Saharan Africa towards the achievement of the Millennium Development Goals. For example, the Global Monitoring Report 2004 noted that only eight countries representing 15 per cent of that region's population were likely to achieve the first Millennium Development Goal of reducing income poverty.

23. The situation in sub-Saharan Africa was of profound concern to the European Union. Progress had been made in the region in consolidating democratic principles, good governance and respect for the rule of law and human rights. Much remained to be done, however, in particular with regard to improving the quality of governance, including through greater accountability, transparency and control of corruption. The European Union annually accorded African member States substantial support, amounting to some 11.5 billion euros.

24. The Union fully supported the basic principles and political priorities set forth in the New Partnership for Africa's Development (NEPAD). The Union also welcomed the outcome of the African Peer Review Mechanism forum in Kigali and considered that the Mechanism would contribute to good governance in Africa. The achievement of the Millennium Development Goals in the region would require strong growth benefiting the poor and a favourable investment climate. The renewed focus on the critical role of the

private sector in promoting economic growth and development was therefore welcome.

25. The European Union had a strong commitment to the Monterrey Consensus. The Council of the European Union had adopted eight commitments, the so-called Barcelona commitments, which had defined the European Union's contribution to the International Conference on Financing for Development in Monterrey. Subsequently, the Council had mandated the European Commission to submit an annual progress report on implementation of those commitments by member States and the Commission, and invited other partners to consider undertaking similar reporting on the Monterrey Consensus. All of the member States had reaffirmed their commitment to achieving the official development assistance target of 0.7 per cent of gross national income. Four member States had already achieved that goal while a number of others had established specific time frames to reach it. At Monterrey, the Union had made a collective commitment to increase the share of gross national income that went to official development assistance.

26. In addition to increased resources, it was essential for donors and international organizations to work to make aid more effective. That required, among other things, implementation of the Rome Declaration on Harmonization, enhanced joint planning between donors and greater coordination of domestic poverty reduction strategies. Coordination was particularly needed with respect to combating HIV/AIDS, which required much greater financial resources.

27. The Union had made a commitment at Monterrey to providing trade-related assistance to developing countries and called on Governments to follow its example and provide duty- and quota-free access to all products from the least developed countries. The eleventh session of the United Nations Conference on Trade and Development in Sao Paulo in June would offer an opportunity to focus the activities of UNCTAD on a small number of key priority areas.

28. At the April 2004 European Union-Africa ministerial meeting in Dublin, ministers had welcomed the joint report prepared by debt experts from Africa and Europe on Africa's debt burden. The Union was committed to meeting and going beyond the requirements of the Heavily Indebted Poor Countries (HIPC) Initiative by providing 100 per cent debt relief for HIPC countries. Long-term debt sustainability remained an essential condition for economic stability, growth and development. The European Union would continue to play its part in contributing to building the foundations for growth and development.

29. **Ms. Okonjo-Iweala** (Chairperson a.i. of the Development Committee and Finance Minister of Nigeria) said that the international community faced a tremendous challenge in meeting the Millennium Development Goals. The Monterrey Consensus had elaborated a new partnership between developing and developed countries and their institutional partners and set forth new development strategies. The Development Committee would play an active role in moving the implementation on the Consensus and Goals forward.

30. The Committee had requested the World Bank and the International Monetary Fund to present it with a systematic monitoring report of the policies and actions needed at the country and global level, which would allow the Committee to assess progress and enforce accountability. The first such report, which had required close cooperation between the Bretton Woods institutions and the United Nations and other key partners, recognized that there had been progress on reforms undertaken by developing countries and on income poverty reduction. For example, advances had been made under the NEPAD mechanism in sub-Saharan Africa and in particular in her own country, Nigeria, which had embarked on far-reaching reforms, including restructuring public expenditures, combating corruption and providing an environment for private-sector growth.

31. However, the Millennium Development Goals would not be met by most countries by 2015, particularly in sub-Saharan Africa, where the situation was dire. There was a need for accelerated sustainable and inclusive growth in many developing countries through the promotion of investment and private-sector activity, good governance and better access to health care, education and other basic services, with a focus on efforts to combat HIV/AIDS.

32. Although progress on the Education for All Fast Track Initiative, designed to help make primary education a reality for all children by 2015, was welcome, more funding was needed for that and other Millennium Development Goals. The Committee had requested a report from the Bank on progress in ensuring that sound policies and efforts by developing

countries were adequately funded. Those efforts must also be matched with stronger support from developed countries, in particular through increased market access for developing-country exports.

33. The Committee had called for an agreement on the funding of the fourteenth replenishment of the International Development Association. But far more resources would be necessary. Efforts must be stepped up to implement the Rome Declaration on Harmonization and the core principles contained in the joint memorandum adopted at the Second International Roundtable on Managing for Development Results in Marrakech. Lastly, enhancing the voice and participation of developing and transition countries in international economic policy decision-making was crucial. In that regard, the Development Committee was endeavouring to promote a virtuous circle in which developing and developed countries and international institutions would act together in ways that could advance the achievement of the Millennium Development Goals.

34. **Mr. Carstens** (Deputy Managing Director of the International Monetary Fund), reporting on the main issues discussed at the ninth meeting of the International Monetary and Financial Committee held in Washington, D.C., on 24 April 2004, said that industrial production and global trade had picked up sharply, and improved prospects in most regions pointed to continued strong global growth. However, a number of risks remained, including the possibility that increases in interest rates might be less gradual than anticipated. Continuing geopolitical uncertainties and developments in oil markets also remained important concerns.

35. The recovery in emerging market and other developing countries had been aided by improved fundamentals and a rebound in private capital flows. Governments should continue to use the opportunity provided by the favourable financial market environment to strengthen growth prospects and reduce vulnerabilities, including strengthening fiscal positions, improving the structure and sustainability of debt, implementing broad-ranging structural reforms and moving towards greater exchange-rate flexibility for some emerging market countries.

36. Economic performance in many low-income countries continued to improve, but much remained to be done in the global effort to reach the Millennium Development Goals, particularly in sub-Saharan Africa. Stronger domestic institutions, along with sound economic policies, would be needed to underpin faster growth and poverty reduction. The international community continued to bear critical responsibility for providing additional assistance.

37. The Monterrey Consensus and the poverty reduction strategy paper approach provided the appropriate framework for the Fund's engagement with low-income countries and its participation in global efforts towards achieving the Millennium Development Goals. The Bank and the Fund would continue to work on mechanisms to mobilize financing for the Millennium Development Goals and to support capacity-building in low-income countries.

38. The Fund had a strong role to play in helping its low-income member countries to achieve higher growth and poverty reduction with concrete policy advice, financing, and technical assistance. In particular, the Fund had been tailoring its assistance to the individual needs of countries and improving the macroeconomic design of the programmes supported by the Poverty Reduction and Growth Facility. Further funding of the Facility, however, would be required to maintain adequate capacity.

39. The Committee had welcomed the enhanced HIPC Initiative and the development of a debt sustainability framework for low-income countries. Five countries had reached their completion points since September 2003. It should be recognized, however, that long-term sustainability after exiting from the enhanced HIPC Initiative would be a significant challenge in the period ahead.

40. Early progress with the Doha round of trade negotiations was also important for all countries, in particular with regard to open markets, fair market access and the reduction of trade-distorting subsidies in all areas, notably in agriculture. The IMF had a role in promoting ambitious trade liberalization and helping members to take advantage of the opportunities provided by more open trade. The newly established Trade Integration Mechanism would help to address temporary adverse effects on the balance of payments caused by trade liberalization.

41. The Committee had also underscored that effective and even-handed IMF surveillance remained an essential element of the international community's efforts to enhance crisis prevention, financial stability

and sustainable growth. The international community should also take determined action to combat money-laundering and the financing of terrorism. Lastly, all members must be adequately represented, work together in a spirit of trust and consensus-building and participate more effectively in decision-making for the Fund to be an effective cooperative institution.

42. **Mr. Sha Zukang** (President of the Trade and Development Board of the United Nations Conference on Trade and Development) said that the implementation of the outcomes of major conferences, in particular the International Conference on Financing for Development held in Monterrey, required concerted action. As the focal point for the integrated treatment of trade and development and issues of finance, technology, investment and sustainable development, UNCTAD was pre-eminently placed to examine such areas. General Assembly resolutions 57/270 B and 57/250 recognized UNCTAD and the Trade and Development Board as important institutional stakeholders in the implementation of the outcomes of major United Nations conferences and summits.

43. At the Board's fiftieth session it emerged that developing countries differed considerably in their abilities to cope with changes in export demand or commodity prices. While the developing countries in Asia and countries with economies in transition had been able to maintain relatively high growth rates, the Latin America and Caribbean region had been most affected by the recent global economic slowdown. Although Africa had been somewhat less affected by the global slowdown since 2001, the HIV/AIDS pandemic, political instability and armed conflict, in addition to weak commodity prices and insufficient inflows of official and private capital, had contributed to a real development crisis.

44. Members of the Board had agreed that the economic and policy reforms undertaken in many countries of Latin America and Africa during the 1990s, with their emphasis on trade and financial liberalization, deregulation, privatization, foreign direct investment and decreased State intervention, had not brought about the anticipated growth or an appropriate macroeconomic setting for the expansion of productive capacity and productivity. Many members of the Board had argued that trade liberalization alone was not sufficient to boost development. Developing countries required greater latitude to develop local industries and to manage their integration into the world economy in a more balanced manner. They should engage actively in market-oriented reforms, build stronger supply capabilities responsive to market demands, open their markets to the world economy gradually and reduce their dependence on commodities.

45. Foreign investment provided a crucial link between productive capacity-building and international competitiveness. The financing of productive capacity-building was central to any development strategy. Foreign direct investment could provide for the transfer of knowledge and technology, human resources development, more entrepreneurship and new production and management techniques. While progress had been made, flows of foreign direct investment to the least developed countries and Africa continued to be low, and flows to Latin America and Asia had declined recently. Creating an enabling environment in host countries for investment, technology and enterprise development was essential. The provision of official development assistance could enhance national savings and investment and act as a catalyst to attract foreign direct investment. Corporate actors, especially transnational corporations, had important responsibilities to the societies in which they operated.

46. In its regular review of development issues in the post-Doha work programme of particular concern to developing countries, the Board noted that UNCTAD had an important role to play in encouraging consensus on issues facing the international trading system. It remained committed to promoting the objective set out in the Millennium Declaration of an "open, equitable, rule-based, predictable and non-discriminatory multilateral trading system." However, trade was not an end in itself but a means to balanced, equitable and sustained development. Development, ultimately, was the best contribution to peace, equity and stability.

47. All the major international conferences since the Millennium Summit had promised to address the imbalances and inherent limitations of the multilateral trading system. There was therefore a need for coherence and coordination within the United Nations system, including UNCTAD, the Bretton Woods institutions and WTO. The Doha Ministerial Conference had been a milestone in the evolution of the multilateral trading system, incorporating an explicit pledge to place development at the heart of the Doha work programme. Developing countries should

be provided with concrete assistance to build supply capacity and safety nets, help cushion possible erosion of trade preferences and meet adjustment costs. There was also a need for coherence and consistency in trade, financial, monetary and technological policies in support of development.

48. In addition, the Board had considered many issues, including the special needs of least developed countries, reform of agricultural trade, commodities, services, non-agricultural market access, capacity-building and the Singapore issues in preparation for the forthcoming tenth session of the United Nations Conference on Trade and Development.

The meeting rose at 11.20 a.m.

United Nations E/2004/SR.9

Economic and Social Council

Provisional

1 July 2004

Original: English

Special high-level meeting with the Bretton Woods institutions and the World Trade Organization

Provisional summary record of the 9th meeting
Held at Headquarters, New York, on Monday, 26 April 2004, at 3 p.m.

President: Ms. Rasi ..... (Finland)

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The meeting was called to order at 3.15 p.m.

Reports by the six Chairpersons of the Round Tables

1. **The President** invited the Chairpersons of the six Round Table meetings on the theme "Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus" to report on their discussions.

2. **Mr. Ricupero** (Secretary-General of the United Nations Conference on Trade and Development), Chairperson of Round Table A, on the impact of private investment and trade-related issues on financing for development, said that the discussions had been helped by the good balance among representatives of Governments, international organizations, civil society, trade unions and the business sector.

3. According to the round-table participants, the Millennium Development Goals could not be achieved without the sustainable growth that would come from implementing the Monterrey Consensus. Because higher growth required higher investment, which in turn required higher savings, they had discussed practical ways of generating private savings which could be channelled efficiently into investment, particularly in small and medium-sized enterprises. The round table had looked at specific examples of such enterprises, and considered the important contribution to the development of the private sector of women, access to microcredit and efficient domestic capital markets.

4. Domestic savings could be supplemented by foreign investment, but the legal and institutional conditions and infrastructure to attract it must be in place. Public companies and Governments must contribute to growth by investing in social infrastructure to support the business sector. Public and private investors must be aware of their own social responsibility and accountability.

5. Trade was the main way of mobilizing resources for development, so it was important to achieve the development aims of the Doha development agenda set by the Doha ministerial conference of the World Trade Organization. In that connection, many of the participants had described the difficulty of choosing how to pursue those aims, particularly in matters such as special and differential treatment for developing countries. Progress must also be made on the agriculture component of the Doha development agenda, as failure to do so was holding back progress in other areas. Developing countries themselves could mobilize resources for development by encouraging more South-South commercial activity, especially by boosting the exports of the least developed countries. Regional organizations could help to promote and finance such commercial activity. The participants regarded the Trade Integration Mechanism recently adopted by the International Monetary Fund as a constructive and imaginative initiative to ease the transition of developing countries to freer trade.

6. Although some commodity prices had recovered, largely because of demand from China, those of coffee, cocoa and sugar still gave cause for concern. Unfortunately, discussion of ways to increase income had so far paid too little attention to commodities. An important component of the forthcoming eleventh session of the United Nations Conference on Trade and Development (UNCTAD XI) was the launching of a partnership to address questions ranging from financing to diversification.

7. The participants in the round table had pointed out that many of the measures recommended could not be implemented by countries with a very low level of development. Some of the least developed countries, especially those emerging from conflict, had subsistence economies which could not generate savings and had too little institutional public infrastructure to support private-sector development. The flow of official development assistance must be improved and remain uninterrupted, especially for the poorest and most vulnerable developing countries.

8. **Mr. Aziz** (Observer for Pakistan), Chairperson of Round Table B, on the same theme as Round Table A, said that discussions had focused on the role of private investment and trade in improving development, income and economic stability and in reducing poverty. Concerned that official development assistance was too low and that progress towards the Millennium Development Goals had been slipping, the participants had urged improvement.

9. Taking investment first, he said that private-sector involvement in development was a two-way street. Investment would not flow unless Governments provided the right conditions: good governance, macroeconomic stability, peace, security and

appropriate infrastructure. The round table had discussed infrastructure at length, pointing out that the task of improving it was not the job of Governments alone, as the private sector could also generate resources, for example, to improve health and education.

10. The round table had also stressed the importance of transparency and anti-corruption measures, and the fact that developing countries needed the help of developed countries to combat money-laundering and the flight of capital. The private sector could ensure that good corporate governance and sound accounting rules were maintained.

11. Transfers of capital from abroad, particularly remittances from workers, were an important source of income, totalling over $90 billion. For many countries, such remittances were higher than foreign direct investment or official development assistance. To maintain and encourage remittances, workers needed open access to world labour markets. There must also be an institutional structure for such transfers.

12. Turning to trade, he said that the poor needed prospects. The key to providing jobs and combating poverty was market access. Many believed that the path to worldwide development was trade, not aid. The Doha development agenda must be revived.

13. Some countries, for example landlocked and island States and those which depended heavily on commodity exports, faced particular challenges. They needed more official development assistance, because even if they carried out macroeconomic and structural reforms, they would not be able to reach a level of development sufficient to increase growth and reduce poverty. However, donors could provide more than just official development assistance: they could also build capacities, and therefore help economic progress.

14. **Ms. Frafjord Johnson** (Observer for Norway), Chairperson of Round Table D, on the role of multilateral institutions in reaching the Millennium Development Goals, said that discussions had focused firstly on the need for coordination and coherence of efforts to fulfil the Millennium Development Goals. The participants had pointed to the absence of an effective division of labour among donors and institutions and had suggested that the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD DAC) could play a role in improving the situation. Coherence began at home: if individual countries did not pursue that aim, multilateral institutions could not be expected to do so.

15. The round table had discussed the need for a country focus, in other words, national implementation of the Millennium Development Goals. In that connection, the participants had pointed out the important role of Poverty Reduction Strategy Papers (PRSPs), which must be refined and developed, as some countries had progressed to second-generation PRSPs. There was still not enough of a direct link between their content and the Millennium Development Goals.

16. Adaptability was essential. The Millennium Development Goals must be tailored to the varied conditions in individual countries. The assistance and lending programmes of the international financial institutions and donors must be aligned with the content of the PRSPs. In particular, the matter of how to ensure that middle-income countries met the Millennium Development Goals was unresolved and must be further explored, since those countries did not have the framework provided by the PRSPs. The national development plans and strategies discussed by the World Bank were one possible choice.

17. Capacity-building was required for effective action on the basis of PRSPs and to increase ownership of development policies. Pursuit of the Millennium Development Goals must continue to receive sufficient funding, but existing resources must also be used wisely and equitably. A number of representatives of developing countries had emphasized the responsibility of the Governments of developing countries in that regard. The fact remained that even if the official development assistance target of 0.7 per cent of gross national product was reached, there would not be enough resources to meet the Millennium Development Goals, particularly the targets for 2015, so that other methods of improving funding, including global taxation, an international finance facility, and debt cancellation focusing on countries outside the Heavily Indebted Poor Countries (HIPC) Initiative, must be explored.

18. Monitoring of compliance with commitments was essential. The Global Monitoring Report of the World Bank and reports from the Secretary-General of the United Nations and the United Nations Development Programme were helpful, but States, the international

financial institutions and donors all had a responsibility to report on progress. A number of donors had said that they would report on their progress and coherence in pursuing Millennium Development Goal 8 (developing a global partnership for development). Dissemination, information and communication must be improved.

19. **Mr. Anjeli** (Observer for Albania), Chairperson of Round Table F, on debt sustainability and debt relief, said that the round table had taken account of the note by the Secretary-General on coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus (E/2004/50) and of the outcome of the 2004 spring meetings of the Bretton Woods institutions.

20. In discussing the case of the Heavily Indebted Poor Countries (HIPC) Initiative, the participants had urged consideration of the effects of the sunset clause which would take effect at the end of the year, and of a prospective top-up mechanism for HIPC countries with continued unsustainable debt. Some countries had been unable to reduce their debt to sustainable levels because initial assumptions about interest rates, export volume and economic growth had been too optimistic. The use of debt-to-export ratios to determine debt sustainability was inappropriate, and macroeconomic, gross domestic product and export-growth figures must not be over-optimistic. Ways must be found to achieve sustainable growth and fulfil the Millennium Development Goals without returning to unsustainable debt levels. The International Monetary Fund Development Committee had recently focused on potential new frameworks for debt sustainability and future borrowing policies in low-income countries.

21. Turning to middle-income developing countries, he said that crisis prevention could help debt sustainability. The participants had suggested standards and codes regarding liability management and accumulation of reserves, and the introduction of more flexible exchange rates.

22. Crisis prevention had improved with the advent of collective action clauses, a new Paris Club approach to debt and a proposed voluntary code of conduct broadly defining the roles of debtors and creditors in resolving crises. Despite such statutory measures for the comprehensive treatment of debt restructuring, other measures, including the proposed Sovereign Debt Restructuring Mechanism, required more work. Support for the orderly resolution of financial crises must be improved in general.

23. Debt crises were not solved merely by an injection of liquidity, but by policies to expand growth. Banking corruption, encouraged by weak regulation and supervision, could provoke a crisis and must also be tackled. Countries with economies in transition suffered from debt accumulation caused by Government financing of non-productive expenditure: such funds should be released to finance investment and encourage economic growth. The objective of debt management should be linked with fiscal and monetary policy.

24. When considering debt sustainability in middle-income countries, it was vital to take account of the needs of the private sector, especially small and medium-sized enterprises, which paid an additional premium for debt financing. The role of financial intermediaries providing credit for such enterprises must be enhanced. The flow of information on investment opportunities in developing countries must be improved. Greater transparency in Government policies would increase investors' confidence and encourage public-private partnerships.

25. In conclusion, the round table had taken the view that debt sustainability was not an end in itself, but rather a prerequisite for financing economic growth and human development. In following through the Monterrey Consensus, the focus must be on promoting growth, but not just through debt repayment. A comprehensive crisis-prevention strategy which included consistent macroeconomic, financial and monetary policies, ensured adequate local financing and overcame inefficiency in the flow of information must be developed. In debt relief efforts, there must be transparency for both debtor and creditor countries, and forums debating debt restructuring, which had in the past been composed predominantly of creditors, must be more balanced.

26. **Mr. Kiekens** (International Monetary Fund), Chairperson of Round Table E, on debt sustainability and debt relief, said that a number of very clear conclusions had been reached, including the fact that the debt overhang was very detrimental to growth and an impediment to achieving the objectives of poverty reduction and the Millennium Development Goals. Indeed, excessive debt not only prevented countries from making optimal use of their fiscal resources but

was also a major impediment to investment and access to credit.

27. Debt relief for heavily indebted poor countries was a major step towards helping them attain their development goals. In that regard, it had been generally agreed that the HIPC Initiative played a very important role. Participants had welcomed the fact that 13 countries had reached the completion point and had received debt relief amounting to about $15.5 billion. Another 14 countries had reached their decision point and the international community had committed itself to providing debt relief totalling $15 billion to that end. However, there were still about 13 countries that had not yet reached their decision point. In that regard, participants had unanimously supported exploring ways to allow all the countries that had not been able to benefit from debt relief to benefit from it in the near future. There had been a clear consensus for delaying the sunset clause or for finding another appropriate instrument. It had been further noted that it was fully appropriate to provide countries that were facing exceptional shocks after reaching the decision point with additional relief. In that regard, the recent decisions on Ethiopia and Niger had been welcomed, with most participants calling for flexibility in the possibility of giving debt relief. All creditors had also been strongly urged to live up to their commitments in respect of the Initiative.

28. There was now a need to ensure debt sustainability in the future. In that regard, it had been recommended that the new methodology that IMF and the World Bank were developing on how to help low-income countries to maintain debt sustainability should be transparent and be used in a flexible way that was tailored to each country's specific needs and circumstances. The debt sustainability assessments should take into account the imperative to reach the Millennium Development Goals, especially poverty reduction objectives and other objectives related to social development. In that regard, it had been suggested that several social indicators used to measure the achievement of those objectives should be included in the new debt sustainability framework.

29. When a country reached the limits of what it could prudently borrow, it should refrain from contracting more debt and the donor community should consider giving adequate financing on grant terms, not as loans. The new debt sustainability framework was a work in progress that would be further refined with experience. It was a framework not for setting borrowing caps, but for promoting adequate financing on appropriate terms as well as protecting against external shocks.

30. Maintaining debt sustainability depended on the policies, put into place to achieve high and sustained growth, as well as on the implementation of the necessary reforms for attracting investment and diversifying and boosting exports, since the ability of countries to service their external debt depended on their capacity to earn export receipts. In that regard, the critical role that the success of the Doha round would play in helping countries to achieve, maintain and strengthen their debt sustainability had been identified as a key ingredient.

31. With regard to debt sustainability in middle-income countries, it had been stressed that stable and high growth were critical components which called for strong macroeconomic policy, transparency in policies and the ability for markets to react in a responsible way to developments in such policies. The development of collective action clauses had been welcomed and it had been recognized that when a country got into repayment difficulties, a fine balance was needed between restoring growth potential, allowing the country to achieve its social and poverty reduction goals and the critical need to regain access to both the domestic and international credit markets.

32. **Mr. Andriamparany** (Observer for Madagascar), Chairperson of Round Table C, on the role of multilateral institutions in achieving the Millennium Development Goals, said that most speakers had underscored the fact that it was only through a well-targeted effort that policy coherence and strategic direction could be achieved. The United Nations and the United Nations Development Programme (UNDP) should act in concert with the Bretton Woods institutions and WTO to further that overall goal. In that regard, there must be a coherence and alignment of common instruments, the United Nations Development Assistance Framework (UNDAF) and PRSPs, to meet the Millennium Development Goals. The importance of improving the identification of needs at the local level, monitoring the progress achieved and learning lessons from experiences had also been emphasized.

33. While it had been agreed that innovative sources of financing were crucial to the achievement of the Millennium Development Goals, some donors believed

that there should not be any increase in transaction costs, and others felt that the link between finance, transparency and the reform efforts should be clear. National efforts were most successful when development became a true national priority. In that regard, PRSPs must be in harmony with countries' circumstances and be based on national initiative, with development policy as a key priority. PRSPs must be integrated with the overall decision-making process, including the budget process. The issue of country ownership of development strategy and the importance of PRSPs as organic links between ownership, development strategy and achieving the Millennium Development Goals had been reaffirmed. Participants had also suggested that, in order to improve the developing countries' ability to report on the implementation of the Goals, their statistical potential needed to be supported. The continued importance of official development assistance (ODA) in the promotion of growth and development had also been discussed, including the need to increase both the quantity and the quality of aid. While some speakers had stressed the crucial role and increasing importance of the private sector in stimulating growth, others had warned that private investment could not entirely replace ODA and public support, although Governments played an important role in facilitating the role of the private sector.

34. Concerns had been expressed about the developed countries' scorecards in fulfilling their part of the bargain made at Monterrey, particularly in the areas of trade facilitation and ODA and the importance of addressing Goal 8 in a serious manner. In that regard, it had been noted that some of the current efforts by the multilateral institutions were process-oriented and procedural and did not address the real issues at hand. The issue of the voice and participation of developing countries in international economic decision-making mechanisms had been raised by several participants, who had called for a new international economic order.

Presentations by a non-governmental organization and a business representative

35. **Mr. Khor** (Third World Network) said that much of the political momentum generated at Monterrey had been eroded. The three themes of the high-level meeting — coherence, coordination and cooperation — had meaning only in the context of the right principles, actions and mechanisms. It was essential for the financing for development process to have the capacity to tackle the many problems raised at events such as the current meeting, which, however important, could not produce real outcomes in the areas of trade, finance and investment. The special high-level meeting with the Bretton Woods institutions and the World Trade Organization should be expanded to cover a two- or three-day period; task forces or expert groups should be established in order to meet throughout the year; the intergovernmental process should be strengthened through the creation of a commission on financing for development, along the lines of the Commission for Social Development and the Commission on Sustainable Development; the United Nations Secretariat should be strengthened in the area of financing for development; and civil society should be given a greater role.

36. Financing for development was still an orphan child in search of parents; it needed the "father" of an intergovernmental commission, the "mother" of a strong Secretariat to chair that process and "brothers" and "sisters" in the community of non-governmental organizations (NGOs) to keep the relevant issues alive. Greater efforts must be made, bearing in mind the desired outcome of sustainable development that empowered people, reduced inequalities and delivered health, food and jobs. Development required the channelling of resources adequate to the fulfilment of human needs; to date, the results had been very disappointing. The seething problems of debt, low commodity prices, the impasse in multilateral trade relations, inadequate aid and intellectual property rights which hindered access to medicines could not be allowed to persist in the current context of increasing insecurity and threats to peace.

37. Debt cancellation for low-income countries; a combination of debt relief and cancellation for countries not covered by the Heavily Indebted Poor Countries (HIPC) Initiative; and a systematic, global debt work-out mechanism for middle-income countries that had fallen into a debt crisis were the only way of preventing each country from inventing its own solution to the debt problem, as Argentina had done. Only a comprehensive, worldwide debt settlement could unblock the arteries of finance and channel funds towards growth and development. Countries' debt sustainability must be linked to their financing needs so that they could meet the Millennium Development Goals.

38. It was time to reconsider the effects of loan conditionalities, which was merely another name for structural adjustment. The core principles of the poverty reduction strategy paper (PRSP) should be reviewed in order to promote counter-cyclical, pro-growth, recovery-oriented economic policies. The financial liberalization conditions that were still included in many letters of intent should be reconsidered in order to allow countries to maintain selective controls and to prevent future financial crises. The Bretton Woods institutions continued to embed unrealistic trade liberalization policies in many PRSPs because they did not understand the context of trade; that approach had led to excessive import liberalization which had harmed many developing countries.

39. With respect to the current impasse in WTO, the Agriculture Agreement should be reformed, subsidies in the North should be reduced and Southern countries should be allowed to protect themselves against those subsidies. A drastic reduction of import tariffs on industrial products would merely lessen the viability of local industries in developing countries. The developed countries should abandon, at least for the time being, the "Singapore issues" which were fragmenting the trade agenda; it was essential to find a comprehensive solution to low commodity prices and the unequal terms of trade that were causing a massive transfer of resources from the South to the North.

40. Policies must be tailored to the country concerned; the "level playing field" assumption of the existing trade system must be replaced by strong, special and differential treatment; the policy of mainstreaming trade and development must give way to a policy of mainstreaming development in trade; the democratic deficit in WTO, IMF, the World Bank and perhaps even the United Nations must be resolved; and the divide between the poor and the rich, between Governments and NGOs, and between the North and the South must be bridged in order to meet the Millennium Development Goal of equal partnership in the global system.

41. **Mr. Underwood** (Business Council for the United Nations), speaking also on behalf of the International Chamber of Commerce (ICC), the World Economic Forum, Samuels & Associates, the Money Matters Institute and other private sector organizations which had been involved in the financing for development process since the International Conference on Financing for Development, said that he welcomed recognition of the private sector's role in development.

42. The Business Council for the United Nations (BCUN) and ICC had recently hosted a meeting of representatives of Governments and multilateral organizations and business experts from developed and developing countries. Participants had considered the financing of infrastructure projects and had identified a series of impediments to private sector investment, such as non-transparent and unstable regulatory systems, macroeconomic instability, foreign exchange restrictions and weak legal and judicial systems. A number of promising approaches to risk-sharing had been identified, including project pooling; global development funds; the use of liquidity facilities to overcome temporary shocks, such as massive devaluation; local currency guarantees; the use of concessionary financing to subsidize targeted users and the use of international arbitration to ensure government contracts and concession agreements.

43. The meeting had also considered the need to improve the access of investors and Governments to information. Six critical areas had been identified: insufficient use of existing information by investors and policy makers; the lack of reliable, relevant sector-specific information, analyses by region and information on the enforceability of contracts; insufficient credibility of information; the need for neutral organizations or expert panels to provide independent assessments of information; the importance of increasing the analytical capacity of investors and policy makers; and the need to improve methods used for risk assessment at the macro and project levels.

44. The process of engaging the private sector in the work of Governments and multilateral organizations must take place through constant consultation at the subnational, national, regional and global levels. Lastly, poverty reduction strategy papers and national development plans should include the private sector at the outset.

Exchange of views among participants

45. **Mr. Robineau** (Economic Commission for Europe), speaking on behalf of the regional commissions, stressed the need to adopt a consistent global approach to development while addressing the diverse situations of developing countries and countries in transition, to focus on development

priorities while recognizing the complexity of designing a variety of interrelated policies to achieve them, and to balance the need for coherent action with the multiplicity of factors involved in development policies and poverty reduction strategies.

46. It was essential not to lose sight of the broad commitments made by the donor community, the Bretton Woods institutions and the Governments of developing countries and countries in transition. The Bretton Woods institutions should make a major commitment to viewing the macroeconomic context as a public good, reducing the volatility of capital, and implementing counter-cyclical policies in order to foster growth; developing countries must make a commitment to implementing poverty reduction strategies; and all parties should be committed to improving governance.

47. It was important to put those broad commitments into practice while taking into account the situation of the global economy and of individual countries, including developing countries and countries in transition. Indicators related to the Millennium Development Goals must be broken down by ethnic group, social and economic level of development, gender and geographical situation.

48. Mutual commitments called for mutual accountability and monitoring by both sides of the partnership in order to avoid feelings of frustration and unfairness. Policy dialogue based on that monitoring was available in a number of forms. The Bretton Woods institutions offered bilateral dialogue related to macroeconomic policies and poverty reduction and linked to aid, debt cancellation and trade facilitation. The United Nations provided a broad, neutral forum for multilateral policy dialogue and for open discussion, not only of the degree to which the Millennium Development Goals were being achieved, but of the policies which had or had not succeeded in achieving them. The regional commissions, in coordination with the regional offices of the United Nations Development Programme (UNDP), were endeavouring to promote exchanges of experience in that area. For example, UNDP, the Department of Economic and Social Affairs and the regional commissions were currently discussing means of validating statistical data, and a system of peer review had been established between African countries.

49. Social development could not be restricted to short-term measures targeting the poor. Investment in human capital must be made over the long term through sustained financing, and macroeconomic policies for sustained growth, articulated with long-term investment in human capital, were essential in order to avoid the risk of reducing the number of poor people without attacking the problem of persistent structural poverty.

50. **Mr. Siv** (United States of America) said that international organizations must complement, not compete with, each other. The President's summary should both recognize that each of the bodies represented at the meeting had a distinct mandate and stress their common goal of poverty elimination.

51. The private sector was at the heart of the Monterrey Consensus, his own Government's Millennium Challenge Account and the World Bank initiatives for small and medium enterprises. The report of the Commission on the Private Sector and Development, *Unleashing Entrepreneurship: Making Business Work for the Poor*, demonstrated that the private sector was the engine of sustainable economic growth, the fastest way to alleviate poverty and achieve the agreed development goals. As current host of the Group of Seven Summit, the United States was leading an ambitious international agenda that would help to promote growth; President Bush's Administration had consistently emphasized the importance of the private sector in that regard.

52. The primary role of Governments was to create an enabling environment for growth and development by broadening access to universal education; increasing savings; improving local governance through, inter alia, anti-corruption measures; and reducing business costs and trade barriers. Developing countries should improve their investment climate in order to retain domestic investment and make themselves more attractive destinations for foreign investment, including investment by their own citizens living abroad.

53. Benefits from the reduction of trade barriers had the potential to far outweigh those of official development assistance (ODA). However, in order for the Doha development agenda to succeed, all parties must be prepared to be flexible and to negotiate. Developing countries also needed to open their markets

to each other; some 70 per cent of duties that they paid were to other developing countries.

54. When developing countries made the choice to invest effectively in their people, donors should assist them, as his own Government was doing through efforts to combat human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) and through its recently launched Millennium Challenge Account. That Account would select aid recipients on the basis of their good policies, including their commitment to economic freedom, and would align assistance with national development strategies and priorities prepared with input from all relevant groups and sectors. None of those funds would be in the form of loans or credits; aid for the poorest countries could be more effective if it was provided as grants.

55. His Government supported increased transparency and a strong role for developing countries and emerging markets in the international financial system. The Bretton Woods institutions had the mandate, skills and experience needed to address financial architecture issues and their Executive Boards should also address the issues of voice and participation.

56. His Government looked forward to the outcome of the Bretton Woods institutions' work on a possible debt sustainability framework; it was essential to provide continued aid flows to vulnerable countries without increasing their debt burden. Since many poor countries were unable to take on even concessional debt, the international community should support the HIPC countries' efforts to reach their completion points; in order to do so, however, those countries must enact the necessary reforms.

57. Poor policy environments rather than lack of funds were the primary obstacles to meeting agreed goals in a number of countries, including some of the poorest. Corruption ate away at funds allocated for schools, school lunches and teachers' salaries. Rather than monitoring an "input-based" approach, the United Nations system should focus more clearly on supporting good governance, sound economic policies, civil society involvement and the role of the private sector.

58. At the international level, too, the focus should be on outcomes rather than inputs, on the effective use of all resources and on measuring results in order to share best practices and lessons learned. His Government did not support new international mechanisms such as the international finance facility, which would not work within its budget system; global taxation schemes; or proposals for new sources of finance that added transaction costs, failed to link aid to performance and good governance and undercut the incentive to reform. The trillions of dollars in current and potential development resources that already existed in the developing world must be unlocked and put to work. Lastly, more attention must be devoted to the role of the various United Nations agencies, funds and programmes in capitalizing on their comparative advantages to help countries to create an enabling environment for growth.

59. **Ms. Viotti** (Observer for Brazil), speaking on behalf of the Rio Group, stressed the importance of the role of the international financial institutions in promoting economic growth. Over the previous decade, most Latin American and Caribbean countries had adopted sound economic policies and significant fiscal adjustment programmes complemented by structural reforms. However, most of those countries had experienced a frustrating growth performance, increased unemployment and, in many cases, a deterioration in income distribution, which had led to severe consequences in terms of poverty and social unrest. The challenge facing them was how to maintain sound fiscal policies without impairing the capacity of the public sector to provide the adequate economic and social infrastructure to attract private investment. The Rio Group therefore encouraged the international financial institutions and other multilateral bodies to take action in that regard. It looked forward to the results of the pilot studies on modifying the coverage of fiscal indicators and assessing the fiscal implications of public-private partnerships.

60. Speaking as the representative of Brazil, she said that the Presidents of Brazil, France and Chile, supported by the Secretary-General of the United Nations, had set up a Technical Working Group in order to participate actively in the debate on new sources of financing for the implementation of the Millennium Development Goals. The recommendations of the Working Group would be discussed at a meeting to be held in New York in September 2004 and it was hoped that that intergovernmental debate would not only mobilize political will but also contribute towards reaching a consensus on the need for additional

financing for development. On the basis of an agreed road map and a thematic agenda, a core group of countries could make specific proposals on the implementation of viable innovative financing mechanisms, which would feed into the discussions on the follow-up to the implementation of the Millennium Development Goals.

61. **Mr. Ayari** (Tunisia) echoed the call for better synchronization between the United Nations and the international financial institutions and for the participation of developing countries in the decision-making processes of those institutions. He also endorsed the comments made by previous speakers regarding the need for assessment mechanisms.

62. At the International Conference on Financing for Development in 2003, the World Bank had pointed out that, despite the fact that many African countries had never been so well governed, development aid was extremely slow to reach them. It was essential to take account of the effects of the external debt burden of middle-income countries on their social and economic prospects and to adopt appropriate and effective measures at the global level in order to improve their situation. There was no justification for excluding middle-income countries from debt cancellation mechanisms, particularly in view of the significant efforts made by those countries to introduce structural adjustment policies and honour their commitments.

63. The participation of developing countries in the decision-making processes of the international financial institutions had become essential. It was inconceivable to continue using a system that marginalized those countries and there was a need to draw up a concrete timetable for the achievement of that aim. The private sector also had an important role to play in alleviating poverty, but the extent of that scourge meant that the whole international community must unite its efforts. If the Millennium Development Goals were to be achieved, new sources of financing for developing countries must be identified. Official development assistance had increased in 2002 and, according to pledges made at Monterrey, it was expected to reach $77 billion in 2006. He called on the international community to contribute to initiatives such as the World Solidarity Fund.

64. **Mr. Gallegos Chiriboga** (Ecuador) endorsed the remarks made by the representative of civil society. The limited scope of international cooperation and trade, in particular the obstacles to the subsidies system, the external debt burden on middle-income countries, and structural adjustment policies were all hindering economic growth. The consequences of those financial difficulties for democracy meant that there was a fundamental need for new measures to alleviate poverty and increase security at the global level.

65. **Mr. Gupta** (India) said that the theme of the current meeting was particularly significant, since development could not be achieved with piecemeal or uncoordinated policies. Complete policy coherence was neither theoretically conceivable nor practically feasible, but a realistic goal would be to remove the most obvious inconsistencies and strive for greater coherence wherever necessary. There was a need to assess not only development policy itself but also the procedures involved in the process as a whole.

66. Despite the agreements reached at Monterrey, the transfer of resources to the developing countries continued to be negative. In that respect, it would be necessary to ascertain, inter alia, whether that trend was due solely to the slow growth of the world economy and the extent of the influence of trade and market access factors.

67. Levels of official development assistance remained far below the projections of resource requirements for the achievement of the Millennium Development Goals made by the World Bank and other international financial institutions. The implementation of the commitments made at Monterrey, together with new and additional long-term commitments, was essential if the developing countries were to achieve those Goals. Transparency in the disbursement of official development assistance was necessary, and such assistance must supplement the efforts of national Governments. It should also be on terms consistent with long-term debt sustainability and aligned with country-owned policies and programmes.

68. The members of the World Trade Organization (WTO), particularly the developing countries, had a great deal at stake and the forthcoming days would be crucial in terms of defining the role of the multilateral trading system. He hoped that all WTO members would play a positive role in moving ahead with the Doha work programme and ensuring a fair and balanced outcome of the negotiations.

69. Lastly, there had been little progress in implementing the agreement to enhance the

participation of the developing countries in the decision-making processes of international trade, financial and monetary institutions. That question must be addressed at the earliest opportunity, since it would enable the developing countries to influence and benefit from the intergovernmental financial architecture. The United Nations was best placed to provide political guidance to Member States in that vital area.

70. **Mr. Mayoral** (Observer for Argentina) endorsed the statement made by the representative of Brazil on behalf of the Rio Group and expressed his support for meetings between the United Nations and the Bretton Woods institutions and other international organizations dealing with economics and finance.

71. Corruption in developing countries was a major obstacle to combating poverty and, in accordance with the Monterrey Consensus, the private sector had a pivotal role to play in alleviating that scourge. He urged the developed countries to play their part by facilitating trade with heavily indebted countries, particularly those in South America, on equitable terms.

72. **Mr. Balarezo** (Observer for Peru) endorsed the statement made by the representative of Brazil. President Toledo's recent call to action echoed the aims of the Monterrey Consensus. Sustainable growth was inextricably linked to high levels of investment, and new financial mechanisms to promote investment must therefore be developed in order to streamline the aims of the private sector with the needs of populations, thereby strengthening democratic governance.

Closure of the special high-level meeting

73. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that the preparatory meetings between representatives of civil society and the business sector and between a number of African Ambassadors and the Executive Directors of the Bretton Woods institutions would greatly facilitate the work of the United Nations in the area of economic and social development.

74. He welcomed the impact of the Millennium Development Goals, the Millennium Declaration and the Monterrey Consensus on the work of the Bretton Woods institutions and looked forward to further opportunities for closer collaboration with those institutions in the near future, inter alia in the preparatory work for the follow-up to the Millennium Declaration.

75. **The President** welcomed the lively, well-informed and open discussion of key policy issues that had taken place. The round-table meetings were particularly beneficial, as they provided an opportunity for national and international policy makers to answer their critics and facilitated dialogue between Governments. The themes of coherence, coordination and cooperation continued to be at the heart of work in the area of economic development and it was now up to the Economic and Social Council, which had been mandated to ensure that the United Nations collaborated with the Bretton Woods institutions, to turn the outcome of recent discussions into meaningful action.

76. In order to follow up on progress made at the high-level meeting, national Governments must step up ministerial cooperation and collaborate with interested parties from all sectors of society. Member States must agree on how best to use the United Nations to facilitate the formation of a global coalition in order to spread development to the four corners of the world with a view to diminishing, even eradicating, the scourge of poverty.

77. She declared the special high-level meeting with Bretton Woods institutions and the World Trade Organization closed.

The meeting rose at 5.20 p.m.

United Nations E/2004/SR.10

Economic and Social Council

Provisional

28 June 2004

Original: English

Organizational session for 2004

Provisional summary record of the 10th meeting
Held at Headquarters, New York, on Monday, 3 May 2004, at 10.30 a.m.

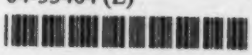
President: Ms. Rasi..... (Finland)

Contents

Adoption of the agenda and other organizational matters (*continued*)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

04-33404 (E)



The meeting was called to order at 10.25 a.m.

Adoption of the agenda and other organizational matters *(continued)*

Draft resolution E/2004/L.5: Ad Hoc Advisory Group on Guinea-Bissau

1. **The President** drew attention to draft resolution E/2004/L.5, entitled "Ad Hoc Advisory Group on Guinea-Bissau".

2. *Draft resolution E/2004/L.5 was adopted.*

Draft resolution E/2004/L.6: Ad Hoc Advisory Group on Burundi

3. **The President** drew attention to draft resolution E/2004/L.6, entitled "Ad Hoc Advisory Group on Burundi".

4. *Draft resolution E/2004/L.6 was adopted.*

5. **Mr. Nteturuye** (Burundi) thanked the Council and the Ad Hoc Advisory Group on Burundi for their support in furthering the process of normalization in Burundi.

6. **Mr. Lolo** (Nigeria), thanking the Council and Nigeria's partners for adopting the draft resolution, said that during the substantive session of the Council his delegation would request that the Advisory Group on Burundi take on the responsibility of monitoring events in that country.

Theme for the humanitarian affairs segment of the substantive session of 2004

7. **The President** proposed that the Council adopt the theme for the humanitarian affairs segment of its 2004 substantive session entitled "Strengthening of the coordination of humanitarian assistance of the United Nations: present and future challenges", and the themes for the panels entitled (a) "Strengthening preparedness and response to natural disasters, with an emphasis on capacity-building" and (b) "Field-level coordination for the purpose of continuing the presence and operation of United Nations humanitarian assistance missions in higher-risk environments".

8. *It was so decided.*

The meeting rose at 10.35 a.m.

United Nations E/2004/SR.11

Economic and Social Council

Distr.: General
2 July 2004

Original: English

Resumed organizational session for 2004

Summary record of the 11th meeting
Held at Headquarters, New York, on Tuesday, 4 May 2004, at 10 a.m.

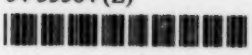
Chairperson: Ms. Rasi ..... (Finland)

Contents

Elections, nominations, confirmations and appointments

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

04-33584 (E)



The meeting was called to order at 10.10 a.m.

Elections, nominations, confirmations and appointments (E/2004/2/Add.1)

Statistical Commission (E/2004/L.1/Add.6)

1. **The President** invited the Council to elect eight members to the Statistical Commission for a four-year term beginning on 1 January 2005.

2. **Mr. Seth** (Secretary of the Council) said that China and Japan had been endorsed by the Group of Asian States; Hungary had been endorsed by the Group of Eastern European States; Colombia and Mexico had been endorsed by the Group of Latin American and Caribbean States; and Germany, the Netherlands and the United Kingdom had been endorsed by the Group of Western European and other States.

3. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

4. *It was so decided.*

5. *China, Colombia, Germany, Hungary, Japan, Mexico, the Netherlands and the United Kingdom were elected members of the Statistical Commission.*

Commission on Population and Development (E/2004/L.1/Add.6)

6. **The President** invited the Council to elect 14 members to the Commission on Population and Development for a four-year term beginning on 1 January 2005.

7. **Mr. Seth** (Secretary of the Council) said that Cameroon, the Comoros and Morocco had been endorsed by the Group of African States; Bangladesh, Indonesia and Malaysia had been endorsed by the Group of Asian States; Bulgaria had been endorsed by the Group of Eastern European States; Brazil, Guyana and Peru had been endorsed by the Group of Latin American and Caribbean States; and Canada and Germany had been endorsed by the Group of Western European and other States.

8. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

9. *It was so decided.*

10. *Bangladesh, Brazil, Bulgaria, Cameroon, Canada, the Comoros, Germany, Guyana, Indonesia, Malaysia, Morocco and Peru were elected members of the Commission on Population and Development.*

11. **The President** said that, in the absence of other candidates for the upcoming vacancies on the Commission on Population and Development, she took it that the Council wished to postpone the election of two members from the Group of Western European and other States for a four-year term beginning on 1 January 2005.

12. *It was so decided.*

13. **The President** invited the Council to turn its attention to the six vacancies on the Commission on Population and Development that had remained unfilled from previous elections. She had been advised that Pakistan had been endorsed by the Group of Asian States to fill one of the vacancies in the group for a term expiring on 31 December 2007. She took it that the Council wished to elect Pakistan by acclamation to the Commission.

14. *It was so decided.*

15. *Pakistan was elected a member of the Commission on Population and Development.*

16. **The President** said that, in the absence of any other candidates, she took it that the Council wished to postpone further the elections for the remaining four vacant seats on the Commission.

17. *It was so decided.*

Commission for Social Development (E/2004/L.1/Add.6)

18. **The President** invited the Council to elect 17 members to the Commission for Social Development for a four-year term beginning at the initial meeting of the Commission's forty-fourth session in 2005.

19. **Mr. Seth** (Secretary of the Council) said that Angola, the Democratic Republic of the Congo, South Africa and the United Republic of Tanzania had been endorsed by the Group of African States; Bangladesh, China, the Democratic People's Republic of Korea and Myanmar had been endorsed by the Group of Asian

States; the Czech Republic had been endorsed by the Group of Eastern European States; Bolivia, Paraguay and Venezuela had been endorsed by the Group of Latin American and Caribbean States; and Finland, Italy and the Netherlands had been endorsed by the Group of Western European and other States.

20. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

21. *It was so decided.*

22. *Angola, Bangladesh, Bolivia, China, the Czech Republic, the Democratic People's Republic of Korea, the Democratic Republic of the Congo, Finland, Italy, Myanmar, the Netherlands, Paraguay, South Africa, the United Republic of Tanzania and Venezuela were elected to the Commission for Social Development.*

23. **The President** said that, in the absence of any other candidates to fill upcoming vacancies on the Commission for Social Development, she took it that the Council wished to postpone the election of one member from the Group of Eastern European States and one member from the Group of Western European and other States for a four-year term beginning at the initial meeting, in 2005, of the Commission' s forty-fourth session.

24. *It was so decided.*

25. **The President** said she had been advised that the Republic of Moldova had been endorsed by the Group of Eastern European States to fill an outstanding vacancy on the Commission for Social Development. She took it that the Council wished to elect the Republic of Moldova by acclamation for a term beginning on the date of election and expiring in 2008 at the close of the Commission' s forty-sixth session.

26. *It was so decided.*

27. The Republic of Moldova was elected a member of the Commission for Social Development.

Commission on Human Rights (E/2004/L.1/Add.6)

28. **The President** invited the Council to elect 14 members to the Commission on Human Rights for a three-year term beginning on 1 January 2005.

29. **Mr. Seth** (Secretary of the Council) said that Guinea, Kenya, the Sudan and Togo had been endorsed by the Group of African States; Malaysia, Pakistan, the Republic of Korea and Viet Nam were unendorsed candidates from the Group of Asian States; Armenia and Romania had been endorsed by the Group of Eastern European States; Ecuador and Mexico had been endorsed by the Group of Latin American and Caribbean States; and Canada, Finland, France and Spain were unendorsed candidates from the Group of Western European and other States.

30. **Mr. Siv** (United States of America) said that his country was dismayed by the decision to again put forward Sudan as a candidate for election to the Commission on Human Rights. With credible reports continuing to come out of the Sudan regarding the most serious human rights violations in Darfur, the Sudan's membership on the Commission undermined not only the work of the Commission, but also its credibility. The Commission had last month articulated its deep concerns about the human rights situation in the Sudan, and had adopted a decision calling for the appointment of an independent expert to monitor the situation in Darfur. It was clear to his Government, and to most of the Commission, that a human rights and humanitarian crisis of tragic scale was occurring in the Sudan. On 7 April, the United Nations Secretary-General, during the commemoration of the tenth anniversary of the genocide in Rwanda, had delivered a strong condemnation of the Sudan Government's behaviour in Darfur and had likened events there to ethnic cleansing.

31. The Office of the High Commissioner for Human Rights, which had undertaken a mission to Chad from 5 to 15 April 2004, had reported the possibility that civilian areas had been directly targeted. It had also pointed to a dire humanitarian crisis in Darfur, including the disappearance of women, children and the elderly. Even sub-Saharan African nations, which had been solidly behind the Sudan's efforts to block Commission action on the Sudan, had begun to press for action on Darfur. Council members should consider the implications of having the Sudan continue as a member of the Commission on Human Rights, and consider the ramifications of allowing the Commission to become a safe haven for the world's worst human rights violators. His delegation would absent itself from the meeting rather than lend support to Sudan's candidacy. It urged delegations to use the election as an

opportunity to express concerns about the grave human rights situation in the Sudan, rather than lend their support to Sudan's candidacy.

32. **Mr. Manis** (Sudan) said that his delegation was astounded by the statement made by the representative of the United States of America. His Government had fully acknowledged the humanitarian problem in Darfur and had called on the international community to lend a hand. Two United Nations missions had just visited the country to assess the situation in Darfur. It was ironic that the United States delegation, while shedding crocodile tears about the situation in Darfur, was turning a blind eye to the atrocities committed by United States forces against innocent Iraqi civilians, including women and children. The United States had made excessive and disproportionate use of the most lethal weapons in the history of mankind against the liberated civilian population in Iraq, and had brutally attacked innocent civilians in Fallujah. Furthermore, the degrading treatment of Iraqi prisoners by American soldiers at Abu Ghraib prison was still fresh in the minds of all justice-loving people around the world. A report on a United States radio station had even alleged the widespread rape and sexual abuse of women at the prison. People who lived in glass houses should not throw stones. The Sudan had as much right to be a member of the Commission on Human Rights as the United States of America.

33. **The President** said that, since the number of candidates was equal to the number of vacancies in the case of the Group of African States, the Group of Eastern European States and the Group of Latin American and Caribbean States, she took it that the Council wished to elect by acclamation the candidates proposed by those groups.

34. *It was so decided.*

35. *Armenia, Ecuador, Guinea, Kenya, Mexico Romania, the Sudan and Togo were elected members of the Commission on Human Rights.*

36. **The President** invited the Council to elect, by secret ballot, three members from the Group of Asian States and three members from the Group of Western European and other States.

37. *At the invitation of the President, Ms. Huree-Agarwal (Mauritius) and Mr. Parrales (Nicaragua) acted as tellers.*

38. *A vote was taken by secret ballot to elect the members from Asian States*:

Number of ballot papers:	54
Number of valid ballots:	54
Abstentions:	0
Number of members voting:	54
Required majority:	28
Number of votes obtained:	
Malaysia	51
Republic of Korea	45
Pakistan	43
Viet Nam	23

39. *Having obtained the required majority, Malaysia, Pakistan and the Republic of Korea were elected members of the Commission on Human Rights.*

40. *A vote was taken by secret ballot to elect the members from Western European and other States*:

Number of ballot papers:	54
Number of valid ballots:	54
Abstentions:	0
Number of members voting:	54
Required majority:	28
Number of votes obtained:	
Finland	48
France	44
Canada	38
Spain	27

41. *Having obtained the required majority, Canada, Finland and France were elected members of the Commission on Human Rights.*

Commission on the Status of Women (E/2004/L.1/Add.6)

42. **The President** invited the Council to elect 11 members to the Commission on the Status of Women for a four-year term beginning in 2005 at the initial meeting of the Commission's fiftieth session and expiring in 2009 at the end of the Commission' s fifty-third session.

43. **Mr. Seth** (Secretary of the Council) said that Mali, Morocco and the United Republic of Tanzania had been endorsed by the Group of African States; Japan and Qatar had been endorsed by the Group of Asian States; Croatia had been endorsed by the Group of Eastern European States; Belize and Peru had been endorsed by the Group of Latin American and Caribbean States; and Germany, the Netherlands and

the United Kingdom had been endorsed by the Group of Western European and other States.

44. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies, she took it that the Council wished to elect by acclamation the proposed candidates.

45. *It was so decided.*

46. *Belize, Croatia, Germany, Japan, Mali, Morocco, the Netherlands, Peru, Qatar, the United Kingdom and the United Republic of Tanzania were elected members of the Commission on the Status of Women.*

Commission on Sustainable Development (E/2004/L.1/Add.6)

47. **The President** invited the Council to elect 20 members to the Commission on Sustainable Development for a three-year term which would begin in 2005 at the organizational meeting of the Commission's fourteenth session and expire in 2008 at the close of the Commission's sixteenth session.

48. **Mr. Seth** (Secretary of the Council) said that Cameroon, the Democratic Republic of the Congo, Tunisia, Zambia and Zimbabwe had been endorsed by the Group of African States; China, the Democratic People's Republic of Korea, Saudi Arabia and Thailand had been endorsed by the Group of Asian States; Belarus and Serbia and Montenegro had been endorsed by the Group of Eastern European States; Belize, Bolivia, Cuba and Mexico had been endorsed by the Group of Latin American and Caribbean States; and Belgium, Canada, Germany, Israel and Italy had been endorsed by the Group of Western European and other States.

49. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies, she took it that the Council wished to elect by acclamation the proposed candidates.

50. *It was so decided.*

51. *Belarus, Belgium, Belize, Bolivia, Cameroon, Canada, China, Cuba, the Democratic People's Republic of Korea, the Democratic Republic of the Congo, Germany, Israel, Italy, Mexico, Saudi Arabia, Serbia and Montenegro, Thailand, Tunisia, Zambia and Zimbabwe were elected members of the Commission on Sustainable Development.*

Commission on Science and Technology for Development (E/2004/L.1/Add.6)

52. **The President** invited the Council to elect 16 members to the Commission on Science and Technology for Development for a four-year term beginning on 1 January 2005.

53. **Mr. Seth** (Secretary of the Council) said that Angola, the Democratic Republic of the Congo, the Gambia and Sierra Leone had been endorsed by the Group of African States; Jordan, Oman and Pakistan had been endorsed by the Group of Asian States; the Russian Federation had been endorsed by the Group of Eastern European States; Brazil, Jamaica and Peru had been endorsed by the Group of Latin American and Caribbean States; and Austria, Italy and the United Kingdom had been endorsed by the Group of Western European and other States.

54. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies, she took it that the Council wished to elect by acclamation the proposed candidates.

55. *It was so decided.*

56. *Angola, Austria, Brazil, the Democratic Republic of the Congo, the Gambia, Italy, Jamaica, Jordan, Oman, Pakistan, Peru, the Russian Federation, Sierra Leone and the United Kingdom were elected members of the Commission on Science and Technology.*

57. **The President** said that, in the absence of other candidates for the upcoming vacancies on the Commission on Science and Technology for Development, she took it that the Council wished to postpone the election of one member from the Group of Eastern European States and one member from the Western European and other States for a four-year term beginning on 1 January 2005.

58. *It was so decided.*

59. **The President** said she had been advised that Italy had been endorsed by the Group of Western European and other States to fill one of the two vacancies that had remained unfilled from previous sessions. She took it that the Council wished to elect Italy by acclamation to the Commission for a term

beginning at the current meeting and expiring on 31 December 2004.

60. *It was so decided.*

61. **The President** said she took it that the Council agreed to further postpone the election of one member from the Western European and other States for a term beginning on the date of election and expiring on 31 December 2004.

62. *It was so decided.*

Committee for Programme and Coordination
(E/2004/L.1/Add.7)

63. **The President** invited the Council to nominate seven members of the Committee for Programme and Coordination for election by the General Assembly for a three-year term beginning on 1 January 2005.

64. **Mr. Seth** (Secretary of the Council) said that Algeria, Ghana and Kenya had been endorsed by the Group of African States and China, Japan and the Republic of Korea had been endorsed by the Group of Asian States.

65. **The President** said that, since the number of candidates from the African and Asian States was equal to the number of vacancies, she took it that the Council wished to nominate them for election by the General Assembly.

66. *It was so decided.*

67. *Algeria, China, Ghana, Japan, Kenya, and the Republic of Korea were nominated for election by the General Assembly to the Committee for Programme and Coordination.*

68. **The President** said that, in the absence of other nominees, she took it that the Council wished to postpone the nomination of one member from Latin America and the Caribbean for election by the General Assembly.

69. *It was so decided.*

Committee on Economic, Social and Cultural Rights
(E/2004/L.1/Add.8 and Add.19)

70. **The President** invited the Council to elect nine experts to the Committee on Economic, Social and Cultural Rights for a four-year term beginning on 1 January 2005.

71. **Mr. Grey-Johnson** (Gambia) said that his Government wished to withdraw the name of its candidate.

72. **Mr. Seth** (Secretary of the Council) said that Mohamed Ezzeldin Abdel-Moneim (Egypt), Haroun Ali Eltayeb (Sudan) and Ariranga Govindasamy Pillay (Mauritius) had been nominated by the Group of African States; Waleed M. Sa'di (Jordan) and Shen Yongxiang (China) had been endorsed by the Group of Asian States; Sergei N. Martynov (Belarus) and Andrzej Rzeplinski (Poland) had been endorsed by the Group of Eastern European States; Rocío Barahona Riera (Costa Rica) had been endorsed by the Group of Latin American and Caribbean States; and Giorgio Malinverni (Switzerland) and Philippe Texier (France) had been endorsed by the Group of Western European and other States.

73. **The President** said that, since the number of candidates from the Asian States, Eastern European States, Latin American and Caribbean States and Western European and other States was equal to the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

74. *It was so decided.*

75. *Giorgio Malinverni (Switzerland), Sergei N. Martynov (Belarus), Rocío Barahona Riera (Costa Rica), Andrzej Rzeplinski (Poland), Waleed M. Sa'di (Jordan), Shen Yongxiang (China) and Philippe Texier (France) were elected members of the Committee on Economic, Social and Cultural Rights.*

76. **The President** invited the Council to elect, by secret ballot, two members from the Group of African States.

77. *At the invitation of the President, Ms. Lehkonen (Finland) and Mr. Tekin (Turkey) acted as tellers.*

78. *A vote was taken by secret ballot.*

Number of ballot papers	54
Number of valid ballots	54
Number of members voting	54
Required majority	28
Number of votes obtained:	
Mohamed Ezzeldin Abdel-Moneim (Egypt)	50
Haroun Ali Eltayeb (Sudan)	7
Ariranga Govindasamy Pillay (Mauritius)	47

79. *Having obtained the required majority, Mohamed Ezzeldin Abdel-Moneim (Egypt) and Ariranga Govindasamy Pillay (Mauritius) were elected members of the Committee on Economic, Social and Cultural Rights.*

Permanent Forum on Indigenous Issues
(E/2004/L.1/Add.5, Add.15 and Add.18)

80. **The President** said that, in light of her consultations with the Bureau pursuant to resolution 2000/22, and taking into account the diversity and geographical distribution of the indigenous peoples of the world, as well as the principles of transparency, representativity and equal opportunity, she had decided to appoint the following eight experts to the Permanent Forum for a three-year term beginning on 1 January 2005: Hassan Id Balkassm (Morocco), Michael Dodson (Australia), Wilton Littlechild (Canada), Aqqaluk Lynge (Denmark), Nina Pacari Vega (Ecuador), Pavel Sulyandziga (Russian Federation), Parshuram Tamang (Nepal) and Victoria Tauli-Corpuz (Philippines).

81. **She** invited the Council to elect the remaining eight members of the Permanent Forum, also for a three-year term beginning on 1 January 2005.

82. **Mr. Seth** (Secretary of the Council) said that Njuma Ekundanayo (Democratic Republic of the Congo) and William R. J. Langeveldt (South Africa) had been endorsed by the Group of African States; Qin Xiaomei (China) had been endorsed by the Group of Asian States; Yuri Boychenko (Russian Federation) had been endorsed by the Group of Eastern European States; Eduardo Aguiar de Almeida (Brazil) and Otilia Lux de Coti (Guatemala) had been endorsed by the Group of Latin American and Caribbean States; and Ida Nicolaisen (Denmark) had been endorsed by the Group of Western European and other States.

83. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

84. *It was so decided.*

85. *Eduardo Aguiar de Almeida (Brazil), Yuri Boychenko (Russian Federation), Njuma Ekundanayo (Democratic Republic of the Congo), William R. J. Langeveldt (South Africa), Otilia Lux de Coti (Guatemala), Ida Nicolaisen (Denmark) and Qin Xiaomei (China), were elected members of the Permanent Forum on Indigenous Issues.*

86. **The President** said that, in the absence of any other candidate for the Permanent Forum on Indigenous Issues, she took it that the Council agreed to further postpone the election of one member from the Group of Eastern European States for a three-year term beginning on 1 January 2005.

87. *It was so decided.*

Executive Board of the United Nations Children's Fund
(E/2004/L.1/Add.9)

88. **The President** invited the Council to elect 11 members to the Executive Board of the United Nations Children's Fund for a three-year term beginning on 1 January 2005.

89. **Mr. Seth** (Secretary of the Council) said that Mozambique had been endorsed by the Group of African States; China and the Democratic People's Republic of Korea had been endorsed by the Group of Asian States; the Russian Federation and Ukraine had been endorsed by the Group of Eastern European States; Argentina and Bolivia had been endorsed by the Group of Latin American and Caribbean States; and Australia, Germany, Japan and the Netherlands had been endorsed by the Group of Western European and other States.

90. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

91. *It was so decided.*

92. *Argentina, Australia, Bolivia, China, Democratic People's Republic of Korea, Germany, Japan, Mozambique, the Netherlands, the Russian Federation and Ukraine were elected members of the Executive Board of the United Nations Children's Fund.*

93. **The President** informed the Council that Canada and Denmark would relinquish their seats on the UNICEF Executive Board effective 1 January 2005. She took it that the Council wished to elect Norway and Finland to complete the terms of office of Canada and Denmark, which would end on 31 December 2005 and 31 December 2006, respectively.

94. *It was so decided.*

Executive Committee of the Programme of the United Nations High Commissioner for Refugees

95. **The President** drew the Council's attention to General Assembly resolution 58/152 in which the Assembly had decided to enlarge the membership of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees by two seats and had requested the Council to elect the new members.

96. **Mr. Seth** (Secretary of the Council) said that the proposed candidates were Egypt and Zambia.

97. **The President** said she took it that the Council wished to elect by acclamation the candidates proposed.

98. *It was so decided.*

99. *Egypt and Zambia were elected members of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees.*

Executive Board of the United Nations Development Programme/United Nations Population Fund
(E/2004/L.1/Add.10)

100. **The President** invited the Council to elect 11 members of the Executive Board of the United Nations Development Programme/United Nations Population Fund for a three-year term beginning on 1 January 2005.

101. **Mr. Seth** (Secretary of the Council) said that Uganda had been endorsed by the Group of African States; the Democratic People' s Republic of Korea and Kazakhstan had been endorsed by the Group of Asian States; Belarus and Ukraine had been endorsed by the Group of Eastern European States; Guyana and Guatemala had been endorsed by the Group of Latin American and Caribbean States; and Portugal, Turkey, Switzerland and the United States of America had been endorsed by the Group of Western European and other States.

102. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

103. *It was so decided.*

104. *Belarus, the Democratic People's Republic of Korea, Guyana, Guatemala, Kazakhstan, Portugal, Turkey, Switzerland, Uganda, Ukraine and the United States of America were elected members of the Executive Board of the United Nations Development Programme/United Nations Population Fund.*

Executive Board of the World Food Programme
(E/2004/L.1/Add.11)

105. **The President** invited the Council to elect six members of the Executive Board of the World Food Programme for a three-year term beginning on 1 January 2005.

106. **Mr. Seth** (Secretary of the Council) said that Ethiopia and Tunisia had been endorsed by the Group of African States (List A); China had been endorsed by the Group of Asian States (List B); Cuba had been endorsed by the Group of Latin American and Caribbean States (List C); and Australia and Norway had been endorsed by the Group of Western European and other States (List D).

107. **The President** said that, since the number of candidates from each regional group was equal to the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

108. *It was so decided.*

109. *Australia, China, Cuba, Ethiopia, Norway and Tunisia were elected members of the Executive Board of the World Food Programme.*

110. **The President** informed the Council that Greece would relinquish its seat on the Executive Board effective 1 January 2005. France had been endorsed by the Group of Western European and other States to complete the unexpired portion of the term, which would end on 31 December 2006. She took it that the Council agreed to elect France to complete Greece's term of office.

111. *It was so decided.*

Programme Coordination Board of the Joint United Nations Programme on Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (UNAIDS)
(E/2004/L.1/Add.12)

112. **The President** invited the Council to elect eight members of the Programme Coordination Board of the Joint United Nations Programme on Human Immunodeficiency Virus/Acquired Immunodeficiency

Syndrome for a three-year term beginning on 1 January 2005.

113. **Mr. Seth** (Secretary of the Council) said that Kenya and the Libyan Arab Jamahiriya had been endorsed by the Group of African States; India and Nepal had been endorsed by the Group of Asian States; the Russian Federation had been endorsed by the Group of Eastern European States; and Brazil had been endorsed by the Group of Latin American and Caribbean States.

114. **The President** said that, since the number of candidates from each regional group was equal to or less than the number of vacancies, she took it that the Council wished to elect by acclamation the candidates proposed.

115. *It was so decided.*

116. *Brazil, India, Kenya, the Libyan Arab Jamahiriya, Nepal and the Russian Federation were elected members of the Programme Coordination Board of the Joint United Nations Programme on Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (UNAIDS).*

117. **The President** said that in the absence of other candidates for upcoming vacancies, she took it that the Council wished to postpone the election of two members from the Group of Western European and other States for a three-year term beginning on 1 January 2005.

118. *It was so decided.*

Governing Council of the United Nations Human Settlements Programme (E/2004/L.1/Add.13)

119. **The President** invited the Council to elect 19 members of the Governing Council of the United Nations Human Settlements Programme for a four-year term beginning on 1 January 2005.

120. **Mr. Seth** (Secretary of the Council) said that Ghana, the Libyan Arab Jamahiriya, Rwanda, Uganda and the United Republic of Tanzania had been endorsed by the Group of African States; Bangladesh, China and the United Arab Emirates had been endorsed by the Group of Asian States; the Czech Republic had been endorsed by the Group of Eastern European States; and Belgium, Canada and France had been endorsed by the Group of Western European and other States.

121. **The President** said that, since the number of candidates was equal to or less than the number of vacancies, he took it that the Council wished to elect by acclamation the candidates proposed.

122. *It was so decided.*

123. *Bangladesh, Belgium, Canada, China, the Czech Republic, France, Ghana, the Libyan Arab Jamahiriya, Rwanda, Uganda, the United Arab Emirates and the United Republic of Tanzania were elected members of the Governing Council of the United Nations Human Settlements Programme.*

124. **The President** said she took it that the Council agreed to postpone the election of one member from the Group of Asian States, one member from the Group of Eastern European States, three members from the Group of Latin American and Caribbean States, and two members from the Western European and Other States for a four-year term beginning on 1 January 2005.

125. *It was so decided.*

International Narcotics Control Board (E/2004/L.1/Add.16, 20 and 21)

126. **The President** invited the Council to elect, by secret ballot, one member of the International Narcotics Control Board from among candidates nominated by Governments to fill a vacancy resulting from the resignation of Mr. Jacques Franquet of France for a term of office beginning on the date of election and expiring on 1 March 2007.

127. *At the invitation of the President, Ms. Lehkonen (Finland) and Mr. Tekin (Turkey) acted as tellers.*

128. *A vote was taken by secret ballot:*

Number of ballot papers:	54
Invalid ballots:	1
Number of valid ballots:	53
Required majority:	27
Number of votes obtained:	
Gilberto Gerra (Italy)	34
Dawood Abdool Satar Jackaria (Mauritius)	15
Audrone Astrauskiene (Lithuania)	2
Alexis Ruzindaza (Rwanda)	2
Rima Vaitkiene (Lithuania)	0

129. *Having obtained the required majority, Gilberto Gerra (Italy) was elected a member of the International Narcotics Control Board.*

130. **The President** drew attention to document E/2004/L.1/Add.4 and invited the Council to elect, by secret ballot, one member of the International Narcotics Control Board from among the three candidates nominated by the World Health Organization for a five-year term of office beginning on 2 March 2005.

131. *At the invitation of the President, Mr. Makayat-Safouesse (Congo) and Mr. Parrales (Nicaragua) acted as tellers.*

132. *A vote was taken by secret ballot:*

Number of ballot papers:	54
Number of valid ballots:	54
Abstentions:	1
Number of members voting:	53
Required majority:	27
Number of votes obtained:	
Philip O. Emafo (Nigeria)	36
J. M. Mario Argandoña-Yañez (Bolivia)	9
Witold Wieniawski (Poland)	8

133. *Having obtained the required majority, Philip O. Emafo (Nigeria) was elected a member of the International Narcotics Control Board.*

The meeting rose at 11.35 a.m.